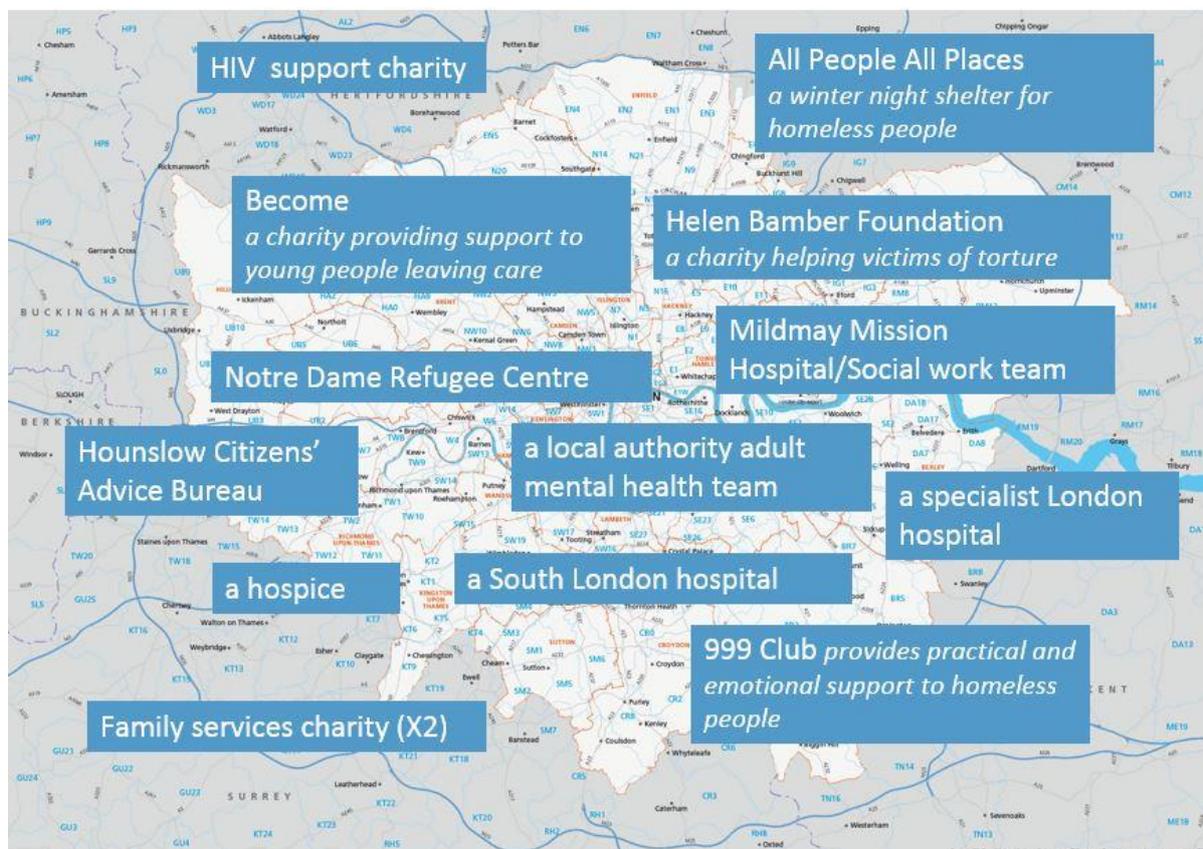


London Catalyst

Samaritan grant-holders and Universal Credit: a survey

In May 2018, London Catalyst invited approximately 100 Samaritan grant-holding organisations across London to complete a survey about Universal Credit. **We were interested to hear whether Universal Credit had been affecting their service users.** We received 14 responses, from a wide range of frontline organisations across London; collectively, these organisations have lately received roughly £14,000 in Samaritan grant money and helped around 600 people¹:



What are Samaritan grants?

A Samaritan grant is a 'pot' of money, given to a frontline agency (e.g. **NHS mental health teams, homeless day centres, women's refuges, legal advice services, refugee charities**) which they manage themselves as a hardship fund. Each frontline organisation uses their Samaritan grant to give small cash payments to clients to help them in a desperate situation, or to create an opportunity.

"The Samaritan Fund was used to buy clothes and groceries for a woman who was waiting to access her benefits. She had suffered a house fire the previous night in which the flat and its contents had been destroyed." – **an NHS community mental health team, south London**

¹ These figures were based on the most recent data we hold from these organisations e.g. their most recently monitoring report. Data covered reporting periods of approx. 12 months during the last one or two years.

What is Universal Credit?

Universal Credit replaces six other benefits – including Jobseekers’ Allowance, Housing Benefit, Income Support, and Working Tax Credits – with a single benefit payment. It is being gradually introduced across London.

Whereas under the old benefits system, Housing Benefit was paid directly to landlords (including private landlords, housing associations and councils), people on Universal Credit receive the money directly themselves and must then make their own arrangements to pay the rent.

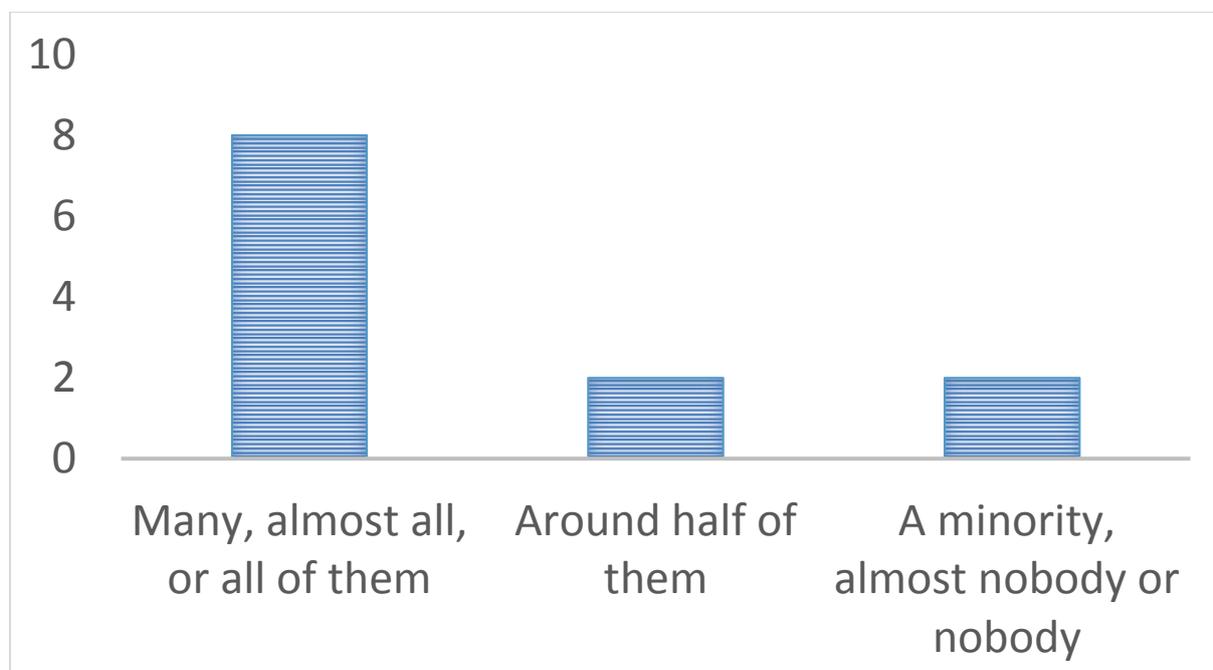
Universal Credit is given out once a month, in contrast to many of the benefits it is replacing which were paid more frequently.

The long wait for the first payment

People moving onto Universal Credit have to wait at least four/five weeks before receiving any money; some wait even longer. Our survey asked:

Thinking about your service users who have claimed Universal Credit: how many of them were left with no money to live off as a result of waiting to receive their first Universal Credit payment?

12 out of 14 people answered this question, and the vast majority said that many, almost all or all of their clients had been left without money to live off while waiting for this first UC payment:



Survey respondents told us that delays in receiving the first UC payment has led to people:

- Without food to eat
- Getting into rent arrears
- Threatened with eviction
- Getting into debt (either through “advance payments” or other loans) to cover every-day living costs
- Our respondent from a South London hospital stated that Universal Credit delays are directly resulting in prolonged hospital admissions, as some people cannot be released from hospital until their UC claim is processed:

“Young homeless drinker. Universal credit decision delay impacted on homeless person application to local authority as this is one of the key criteria used by local authorities housing teams to determine eligibility. Patient had to stay in hospital while universal credit application was processed.” – **a South London hospital**

“The client was a British national living with his wife and two children in a housing association flat. His partner had no recourse to public funds and they were struggling financially as the client was on a zero-hours contract such that his wages fluctuated. He applied for Universal Credit (UC) as a single claimant but, since UC is paid monthly in arrears and had a seven-day waiting period*, he started accruing rent arrears.

He struggled to pay the amount of rent not covered by UC and soon was served with a notice seeking possession, and eventually the housing association sought a Possession Order. We helped the client apply for a discretionary housing payment which covered part of the arrears while we arranged for payments of UC to go straight into the rent account, plus a small deduction from benefits towards the remaining rent arrears. As a result, the possession action was suspended.

Without Hounslow Citizens Advice’s support and action, the client and his family would have been homeless.

*NB Since February 2018 the seven-day UC waiting period has been abolished but arrears payments still cause problems.”

- **Hounslow Citizens’ Advice Bureau**

Other problems encountered by Universal Credit claimants

Our survey asked: **What other problems are your service users encountering with Universal Credit?**
Please describe the top three problems.

Several common themes emerged...

1

Being forced to claim Universal Credit via its online web-based portal is a significant barrier to access for some people:

- People who are homeless
- Very sick people
- Those who are cognitively impaired
- People whose first language is not English
- Those who lack computer literacy
- Some with mental health issues

“Our clients have cognitive impairment and are unable or have difficulty engaging in a system that relies on online participation with proper advocacy and support.” - **Mildmay Mission Hospital/Social work team**

“They don't understand the process. Mainly they are unable to call and speak to someone.”
- **a charity supporting disadvantaged children and families to overcome barriers to education**

“GM had a diagnosis of metastatic cervical cancer... [She] made several calls in an effort to claim Universal Credit but was advised she has to submit her claim online despite making it clear that she did not have access to the internet and was not well enough to visit anywhere with shared facilities e.g. a library or a local Jobcentre. Despite making it very clear that she is suffering from a life limiting illness, GM felt she was offered no help from the Department of Work and Pensions in making a claim for Universal Credit. [When] we first met GM... she had been without benefit for seven weeks... GM received her first Universal Credit payment...[after] almost 12 weeks.” – **a hospice**

“UC is less accessible to potential claimants due to the necessity of claiming online, requiring computer literacy, access to a computer, and literacy in English. For most of our clients, English is not their first language, literacy is often limited, and they have therefore struggled to complete the UC claim itself, particularly while managing complex mental health issues.” – **the Helen Bamber Foundation (a charity supporting victims of torture)**

2 **The system is inflexible, leading to serious issues.**

Several survey respondents noted that the Universal Credit system was rigid, with no leeway for special circumstances. Particular groups of people, such as the terminally ill or new refugees, find it extremely difficult to navigate the system as a result.

The Helen Bamber Foundation reported that people with refugee status are finding it difficult to navigate the UC system, with certain rules being incorrectly applied to them:

New refugees have to wait several weeks to be issued a National Insurance number:

“We are concerned that in the online application for UC, the claimant’s National Insurance number is a mandatory field and therefore the benefits claim cannot be completed without entering an NI number.

This is out of keeping with Subsection 1B of Chapter 5 Part I of the Social Security Administration Act 1992, which states that a claimant can receive benefits if the person makes an application for a NI number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated. In some cases our clients have waited over six weeks for their claim to be processed.

This is exacerbated for our clients who are often required to undergo the 'habitual residence test' (despite being exempt from this by virtue of their refugee status).”

Hounslow Citizens’ Advice Bureau told us about a major administrative issue with the UC system:

“A major issue with UC is the vast amount of mandatory reconsiderations(MRs) and appeals we've had to raise for our clients, as they were refused UC for a minimum mistake like not ticking a box online. Refused claims were closed immediately by DWP, so our MRs were 'lost' in the system as DWP could no longer link them to closed claims. This issue left many clients without money for several months, during which they had to rely on foodbank vouchers. Many people risked losing their home as they had no money for the rent. We overturned many decisions on appeal.”

A hospice stated that most of their terminally ill patients are simply too unwell to use the online UC system. They have found that the way the DWP handles this is problematic:

“[Another problem patients have with UC is] having to arrange face-to-face meetings to have their information verified. We've had cases where DWP have insisted on sending a visiting officer to patients who are inpatients in the hospice.”

3 Some people receive less money under Universal Credit than under the old benefits system.

People (e.g. those with certain disabilities) who under the old system, were entitled to various “premium” or “top-up” benefits, find that these are no longer available under the Universal Credit system – resulting in a loss of income.

“No Severe Disability Premium, less money received by people living with disabilities.”
– *a charity providing support to those living with HIV*

4 There is a lack of landlords willing to take tenants who are claiming Universal Credit, resulting in a shortage of available properties to rent on the private market.

This appears to be particularly problematic for night shelters and homeless day centres attempting to house people who are homeless.

“Landlords are reluctant to take UC hence rehoming people who are homeless is very difficult.”
– *All People All Places (a winter night shelter for homeless people)*

“In our area of London (south east) we are unable to find landlords in the private sector willing to accept tenants on UC, greatly reducing their housing options.”
– *999 Club (a charity providing practical and emotional support to homeless people)*

Other problems mentioned in the survey responses

- Sanctions
- Money no longer going direct to landlords
- Being paid monthly creating problems for people unused to budgeting

“Managing money [is a problem encountered by our service users]. The delay in first payment and being paid monthly in arrears can make it impossible to pay bills. Care leavers don’t necessarily understand what money is being paid in when, and what it’s designed to cover. This makes them vulnerable to payday loans and other debts as they struggle to make ends meet. Paying housing benefit directly to care leavers rather than landlords can cause problems if this isn’t clearly communicated (e.g. care leaver may not be aware they have to arrange rent payments themselves).”

– *Become (a charity which supports young people leaving care)*

A full list of survey respondents

| Organisation (note: some did not wish to be named) | Name of respondent (note: some did not wish to have their name published) | Where their service users live* |
|--|---|---|
| A charity providing support to those living with HIV | | London-wide |
| Helen Bamber Foundation (supports victims of torture) | | Main borough: Camden Also: London-wide |
| A South London hospital | Abdi Ali | Main: Southwark Also: Lambeth |
| Notre Dame Refugee Centre | | London-wide |
| Mildmay Mission Hospital/Social work team | | Tower Hamlets |
| A charity supporting disadvantaged children and families to overcome barriers to education (2 responses) | Marjorie Damah and Samantha Lowman | Southwark and London-wide |
| 999 Club (a charity providing practical and emotional support to homeless people) | Alison Harrison | Main: Lewisham Other: Bromley, Greenwich, Lambeth, Southwark |
| A local authority adult mental health team | | A South London borough |
| A specialist London hospital | Ashley Jones | Main: Wandsworth Other: London-wide |
| Hounslow Citizens' Advice Bureau | Annalisa Menini, Services Manager | Hounslow |
| Become (a charity providing support to young people leaving care) | | Islington |
| All People All Places (a winter night shelter for homeless people) | Linda Turton | Main: Haringey Other: Enfield |
| A hospice | Carolyn Walker | Main: Bromley Other: Croydon, Lambeth, Lewisham, Southwark |

* grant-holders were asked to state "borough(s) in which" they "operate". They were required to choose a "main borough" (which included the option "London-wide"); then they had the option to select as many other boroughs as they wanted.