

Universal Credit: Briefing

Universal Credit is Coming to Liskeard in December 2017

Universal Credit, which has been criticised for its effects in increasing poverty and debt, especially among the most vulnerable, is coming to the area covered by Liskeard Jobcentre in December 2017. It is a single benefit designed to replace most working-age benefits – tax credits, Job Seekers Allowance (JSA), Income Support (IS), Employment Support Allowance (ESA) and housing benefit. More than half of households affected are working households. Criticisms of Universal Credit are directed both at its implementation, and at the rules designed into it.

Universal Credit (UC) is being implemented in three stages:

- The first stage consisted of pilot schemes called ‘gateway’ or ‘live service areas’.
- The second stage is a roll-out across the country, known as ‘full service areas’, in which new claimants, or people whose circumstances change, will be ‘migrated’ onto UC.
- The third stage will be the ‘managed migration’ of everyone who is still claiming working-age benefits onto UC; this is due to begin in July 2019 after the roll-out is complete.

What Are the Problems And Who Will Be Affected?

People changing from JSA / ESA / IS or tax credits onto UC will be changing from a weekly or fortnightly payment to a monthly one; during the changeover they will face a minimum six-week wait before their first payment. The government has promised that for ‘managed migration’ there will be transitional protection; but *no* transitional protection applies at the second stage. It is the second stage, transition to a ‘full service area’, which is coming to Liskeard in December 2017.

Anyone who needs to make a new claim for working-age benefits will be affected; in addition, the Child Poverty Action Group say it will affect the following changes in circumstances:

- a JSA claimant in a full service area becomes sick and tries to claim ESA instead;
- an ESA claimant fails the work capability assessment (WCA) and tries to claim JSA pending a mandatory reconsideration;
- a claimant in a full service area not already on tax credits has a first child;
- a lone parent loses her/his entitlement to IS when her/his youngest child turns five;
- someone in a full service area on JSA becomes a carer and cannot manage JSA conditions – so tries to claim IS instead;
- a couple separates or forms and there are attempts to make new IS/JSA claims.

The six (in some cases up to thirteen) week delay is not the only problem with UC. The application process discriminates against those who have difficulty accessing the internet; the form is notoriously difficult to fill in and the telephone helpline means long delays and high costs. Self-employed people currently on tax credits, and people caring for disabled children, may be worse off. The move to monthly payments is causing massive hardship for those who struggle to budget; especially because rental costs will be included in the single monthly payment to tenants. So, while the change will not immediately affect all benefit claimants in the Liskeard area, it is likely to lead to a gradual increase in debt, poverty and homelessness, as experienced in pilot areas.

Universal Credit: What Can Be Done About It?

Know our rights. There are several situations where it is *not* obligatory to move to UC, such as moving house within the same area. None of us should allow ourselves to be ‘encouraged’ onto UC without getting advice and finding out whether we will be better off or not. Turn2Us have a benefit calculator you can use to find out what you will be entitled to: <https://www.turn2us.org.uk>

Advance payments. Everyone who applies for Universal Credit can ask for a short-term advance payment to help them survive the six-week period; this is a loan which will be taken back gradually by reduced payments over the first 3 months. For more information see <https://www.citizensadvice.org.uk/benefits/universal-credit/apply/get-advance-payment/>

Alternative Payment Arrangements. These include payments being made twice rather than once a month; direct payments to landlords; and payments split between couples. Alternative Payment Arrangements can be applied for either at the initial interview or if people get into difficulties – they can be awarded where claimants are vulnerable or have debts / rent arrears. For more info see <http://www.cpag.org.uk/content/universal-credit-alternative-payment-arrangements>

Advice and Help. There are free ‘Money Box’ courses being held in the Liskeard area this September to help people gain budgeting skills and manage finances; open to all tenants, council and private. For more information see <https://www.facebook.com/SMARTTenants/> or call 01208 265723.

Further Information

If you would like to find out more about future plans to help our local community cope with these changes, please get in touch with
Ruth Wilson, Anti-Poverty Coordinator, South-East Cornwall Labour
Email: chair@laboursecornwall.org.uk

There is also more detailed general information available from these websites:

<https://www.turn2us.org.uk>

Citizens Advice - <https://www.citizensadvice.org.uk> or phone 0344 411 1444

Child Poverty Action Group - <http://www.cpag.org.uk>

<https://cornishstuff.com/2017/07/19/is-kernow-ready-for-universal-credit-no-but-it-desperately-needs-to-be-says-leah-browning/>



Briefing produced by South-East Cornwall Labour www.laboursecornwall.org.uk