Association of Directors of Adult Social Services

Written evidence to the House of Commons Work and Pensions Committee Inquiry into the implementation of the Universal Credit

Background
The Association of Directors of Adult Social Services (ADASS) represents Directors of Adult Social Services in Local Authorities in England. As well as having statutory responsibilities for the commissioning and provision of social care, ADASS members often also share a number of responsibilities for the commissioning and provision of housing, leisure, library, culture, arts and community services within their Councils.

ADASS welcomes the opportunity to provide evidence to the Work and Pensions Committee inquiry into the implementation of the Universal Credit.

Areas for evidence

1. The proposed arrangements for claims and payments and the provision of support and advice for claimants, including the presumption of a predominantly online, self service claims process; monthly payment to one person in the household; and arrangements for providing telephone and face to face support and independent advice for claimants who need it

We are sceptical about the Government's assumption that the vast majority of claimants will be able to claim Universal Credit and manage their awards online and we believe there should be a provision for paper claims and notifications. The Government's Explanatory Memorandum on Universal Credit justifies the retention of clerical claims for Personal Independence Payments on the basis of the 'diversity of PIP claimants' but this applies equally to Universal Credit.

We have concerns that vulnerable claimants will be ill equipped to handle the online system and may not be able to register a UC claim at all.

ADASS has concerns that the monthly payments will cause hardships to many claimants who will have difficulty budgeting on a monthly basis, and that payment to the household will disempower many women and remove safeguards that payments for children and housing costs are used for that purpose, where one partner in a

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couple acts irresponsibly. We would like to see more detailed provision in the regulations for variance from monthly default payments to the household, rather than reliance on the discretion of decision- makers, but at the very least there should be comprehensive and publically available guidance.

For vulnerable claimants, we have concerns that they will be ill equipped to handle the online system and may not be able to register a UC claim at all.

2. Progress with developing the necessary IT systems to administer Universal Credit including real time information (RTI) system for PAYE taxation being developed by HM Revenue and Customs.

ADASS questions the reliance on IT to administer the Universal Credit system. Much reliance is to be placed on the 'real-time date' system for employees but there is no provision in the regulations for situations where the system breaks down. We fear that the amalgamation of payments for adults, children and housing costs could leave claimants facing destitution if there is a problem with their claim or award.

3. The proposed arrangements for the 'claimant commitment', sanctions and hardship payments

We suggest that it is a statutory requirement that no sanction is applied until the claimant has received notification of a possible sanction which includes an invitation to make representations within a specified time limit on whether there was good reason for the alleged failure. This will ensure decisions are based on all the relevant evidence, and if there is proper opportunity for representations to be made before, rather than after, a sanction is imposed.

The Government has consistently claimed that UC will ensure that claimants will always be better off in paid work. We believe that this should be reflected in the sanctions regulations, by providing that if this is not the case, a claimant will automatically have good reason for voluntarily giving up a job, or failing to apply for a job or to accept a job offer. This can be tested by requiring a 'better off' calculation to be undertaken before a sanction is imposed, which takes into account work-related expenses including child care and transport, as well as the loss of UC and council tax support. Under the current system, there is a requirement to take into account the availability and cost of child care, and given the Government's acceptance of the importance of child care to work incentives, we are concerned about the removal of this statutory safeguard.

We fear that some vulnerable claimants (e.g. those with mental health problems or personality disorders) could face repeated sanctions for failures to cooperate. We believe there should be a statutory duty to interview claimants and review cases where there are repeat failures before further sanctions can be imposed with a view to arranging specialised advice and assistance through the work programme.

4. Changes in the income entitlement of disabled people under Universal Credit, including those who may receive less income under Universal Credit than at present.

We are particularly concerned about the lack of provision of disability additions or elements within the UC. This should not be seen in isolation, as changes to DLA and re- assessments of ESA have already caused a surge in requests for advice, advocacy and representation. The cumulative effect of these changes on disabled individuals should be monitored and noted. Disability premiums have always been a feature of means tested support in recognition of the extra costs associated with disability (for example aids and adaptations, extra heating, transport, special clothing and diets). This particular change will impact heavily on severely disabled claimants, in apparent contradiction of the Government's stated aim of protecting the most vulnerable. The severe disability premium is currently worth more than £58 per week, while the disability element of working tax credit is worth around £54 per week. Neither are replicated within UC. The elements for limited capability to work (LCW) and work related activity (LCWRA) have been imported into UC from employment and support allowance, but there has always been a distinction between additional payments for incapacity to work and for disability, reflecting the fact that many disabled people are able to work but still have additional expenses. The absence of disability additions is particularly inimical to work incentives for disabled people and we would urge a rethink of this major change in entitlement.

The proposed lower rate of the additional amount for disabled children (equivalent to the LCW element) is significantly less than the current disabled child element paid with child tax credit. This will adversely impact upon vulnerable families with a newly disabled or diagnosed child, with many families being worse off by up to £30 per week in comparison to those who claim before UC is implemented. The Government has indicated that the higher rate will rise to around £77 per week, but there is no mention of this in the EM.

The award of only one element where joint claimants are both unfit for work is similarly unduly restrictive and not reflective of reality. Disability related expenditure for two people is higher than one.

There is no provision for treating a claimant as having Limited Capacity for Work while awaiting assessment or disputing a decision through revision of appeal, a process which could take many months. Regulation 90 only relaxes work related requirements in these circumstances for a maximum period of 14 days, twice a year, running the risk of punitive sanctions for sick and disabled claimants.

This provision places a rigid cap on work incentives for disabled claimants, including those undertaking 'permitted work'. As long as a claimant can satisfy the work capability assessment, we would advocate no limit, as in any event, the means-test for UC would exclude higher earners. The definition of the threshold in terms of weekly income is not consistent with the UC monthly assessment period.

5.The impact of the changes on Local Authorities, including budgets, staff and support for claimants. The changes include those to Housing Benefit, the introduction of the benefit cap; and localisation of council tax support

Local Authority staff need to be more informed and involved in rolling out the credit and ensuring that they are equipped to provide the necessary support and advice for claimants. There may be job losses for council staff currently involved in administering housing and council tax benefit once this is replaced by Universal Credit.

Local Authority Social Work teams are not equipped, even with the new 'local welfare assistance' responsibilities to provide a back - stop service in the event of individual or system failure. We are also concerned with the possible consequences for social work teams of such changes as the under- occupancy penalty. It could mean some older adults having to move to areas where they have less community support (and less flexibility to have family members stay with them to provide support) when they become older and frailer. We are also aware that some single mental health service users have been granted tenancies of hard to let (often high rise) 2 – bed properties because no one else wants that type of accommodation. It would seem wrong to then penalise that person with a 14% cut in their housing benefit when the allocation was not their choice- this is substantively different to 'empty nesters' where the children have moved on.

There is also a major problem for 'vulnerable' service-users and families who are responsible for paying council tax. Given the 10% overall reduction that councils are required to make in council tax benefit expenditure, and the protection given to people aged 65 and over, it seems that working- age service users will have to pay around 20% of their council tax bill, even if in receipt of maximum UC because they have no other income. UC rates have yet to be announced and ADASS would like confirmation that those rates will reflect the requirement that many UC claimants will have to find £4 a week or more (depending on prevalent council tax rates) towards their council tax, from a benefit that is expected to be pitched at subsistence levels.

The £500/£350 pw benefit caps for families and individuals will undoubtedly cause hardship. It will disproportionately affect larger families, lone parents, 'kinship carers', people in high-cost rental areas, and people in more expensive supported accommodation. We are also concerned that your own impact assessment shows 30% more of those affected are from BME Communities yet this is not acknowledged or addressed in the EM.

6. The level of the earnings disregard

The current permitted work earnings disregard, which currently allows many disabled people to move into employment may be replaced by a less generous alternative.

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We feel that introducing earnings disregard imports much of the current complexity that already exists in the current system and will defy the aim of simplification intended by introducing the Universal Credit.

We await the final amount of earning disregards for disabled singles and couples.

7. Eligibility for and operation of passported benefits

ADASS supports the view that passported benefits provide vital support to those on low incomes, older people, and vulnerable adults, and advocates that they should be included in the Universal Credit. Those over the state pension age should be eligible for health, utility and energy related benefits without means testing.

8. Impact monitoring: what the DWP's priorities should be for monitoring the impact of the transition to Universal Credit

The DWP should work in consultation with Local Authorities and Children and Adult Services organisations to monitor the impact of the Universal Credit.

Priorities should include monitoring ease of operation for claimants and users of the Universal Credit system; monitoring the numbers of people claiming Universal Credit; monitoring employment levels for those in receipt of benefits from the previous system or the Universal Credit; and monitoring overall poverty levels.

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