



**Report of Chief Officer Customer Access and Welfare**

**Report to Scrutiny Board Environments, Housing & Communities**

**Date: 14 January 2021**

**Subject: Reducing Poverty and Improving Financial Inclusion- Including update on Universal Credit**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Summary**

**1. Main issues**

- Leeds City Council and partners have been working to address financial inclusion in Leeds since 2003. The work which is key to reducing poverty in the city, has been based on building knowledge and research, and a strong collaborative partnership to develop innovative and sustainable actions for the residents of Leeds. Even before the COVID-19 pandemic the scale of the challenge was significant, with an estimated 174,000 people in Leeds in relative poverty, and local research in 2018 highlighting that households were less resilient and worse prepared for an external financial shock or crisis than in 2004.
- The COVID-19 pandemic has put further pressures on low income households and the most vulnerable in our society, and has also pushed many more households into financial uncertainty, hardship, to seek support and advice and to claim benefits. Advice agencies have reported a significant rise in enquires related to benefits and Universal Credit, employment and housing. In addition partners are also reporting that many more people presenting to services are unable to manage or cover basic living costs.
- For Leeds the depth of experience and the strength of the partnership developed over many years has been crucial in being able to respond rapidly and effectively to the challenges that the COVID-19 pandemic has had on our communities and residents. Adapting the way services are delivered and communicating these changes, sharing ideas, knowledge and experience, and collaborating to deliver multiple projects and initiatives to support the residents of Leeds.

- In terms of Universal Credit, it has now been in full service in Leeds for just over two years. The benefit is applicable both to those making a brand new claim to one of the six impacted benefits & to those transferring as a result of changes in their financial circumstances & now includes all members of the family. The only current exemptions are for those who are entitled to Severe Disability Premium, who will remain on legacy benefits until 27th January 2021.
- The benefit system has been crucial to the national COVID-19 response but has been under extraordinary pressure from an unprecedented wave of applications for Universal Credit. In Leeds there are now 70,127 people claiming UC, which is a 60% increase compared to 2019. Prior to March 2020 there was an average of 600 claims registered in the city per week, this increased significantly from March 2020 and peaked at over 6,800 during April.
- The system has responded to significant demand alongside social distancing, and this should be recognised. Partners in the city have reported that while many of the rapid changes implemented by DWP in response to the COVID-19 pandemic, (particularly the £20 weekly uplift and the suspension of deductions from benefits) have proved beneficial to claimants, the COVID-19 pandemic has escalated, and also drawn attention to many of the ongoing underlying problems that relate to the welfare system. The key issues being;
  - a. Risks for vulnerable claimants and their capacity to access benefits (support) have been identified. A lack of access to digital resources for more vulnerable clients is one such issue that predates the pandemic, but has exacerbated due to limited public access points (i.e Community Hubs, Libraries and Job Centres) caused by COVID-19 related restrictions.
  - b. The initial 5 week wait for payment and deductions continues to be a cause for concern, with partners reporting a pattern of claimants falling into debt and relying on food and/or fuel vouchers during this period. Although the £20 weekly uplift provides assistance to many claimants, the removal in April 2021 is being raised as a potential future concern.
  - c. Claimants often present to advice services in the city with multiple queries, and appointments are both complex and time consuming due to the need for 'better-off' calculations, verification documentation and claim completion as a minimum. Advice partners have reported that the number of social welfare issues clients are presenting with since COVID-19 outbreak has more than doubled.
  - d. Due to the impact of COVID-19 on employment, many clients reported fluctuating financial circumstances, particularly for those impacted by furlough, changeable hours, redundancy pay, zero hour contracts, Self Employed Income Support Scheme claimants. Although UC is more flexible in these circumstances than legacy benefits, these fluctuations can result in claims being closed and the claimant having to re-open or re-start the claim, causing financial hardship through delays to income.
  - e. Instances of claimants being wrongly advised to claim Universal Credit rather than remaining on legacy benefits also continue to be identified, which is of particular concern in relation to people with disabilities who may be worse off financially if they claim UC in error.
- The long established partnership approach in the city means that the issues outlined above and throughout the report are regularly raised at both local and national level meetings which include the active involvement of the Council, third sector and the DWP.

## **2. Best Council Plan implications** (see the [latest version of the Best Council Plan](#))

- The work set out in this report contributes to the Best Council Plan focus on tackling poverty and reducing inequalities, and achieving the Council's ambition for a strong economy and compassionate city.
- The activities set out in this report support the Best City Priorities of Safe, Strong Communities, Inclusive Growth, Health & Wellbeing, Child Friendly City, Age-Friendly Leeds and Housing. All of which have a strong focus on addressing poverty, unmanageable debt, and maximising incomes.

## **3. Resource implications**

- All projects and services are being undertaken within current budgets and there are no additional resource implications arising from this report

## **Recommendations**

- a) That the information supplied in this report is noted.
- b) That Scrutiny Board, make any recommendations for future monitoring the impact of the work being undertaken to address financial inclusion and the impact of Universal Credit.

## **1. Purpose of this report**

- 1.1 This report provides an update on the work undertaken by Leeds City Council and partners to reduce poverty and improve financial inclusion, with particular focus on the implementation and impact of Universal Credit.

## **2. Background information**

- 2.1 Led by the Council's Financial Inclusion team the strategy to tackle financial inclusion has focussed on developing projects and initiatives to ensure that residents on the lowest incomes have access to affordable financial services and are able to access quality marked, free and independent advice when needed. The aim being to reduce the need for high cost sources of finance such as doorstep and payday lenders, pawnbrokers and rent to buy options, or in the worst case scenario illegal lenders. The depth of the experience and strength of the partnership approach has been particularly important over the past year in being able to respond rapidly and effectively to the challenges that the COVID-19 pandemic has brought about.
- 2.2 Evidence based policy development has continued to underpin the financial inclusion work in Leeds. The household survey undertaken in 2004, was repeated in 2010 and 2018 in order to ensure that the policy and strategy being developed continued to deliver for those in greatest need. The full report and its findings concluded that in 2018 respondents were less resilient and worse prepared for an external shock or crisis than in 2004, with significantly lower propensity to save and higher likelihood of being in debt.
- 2.3 Even before the emergence of the COVID-19 pandemic, the findings of the Leeds research, coupled with national evidence and statistics on poverty gathered and presented in the Financial Inclusion Team's Poverty Fact Book, further emphasised

the importance of the Council and partners continued work to address financial exclusion and poverty in the city. Key statistics as follows:

- Over 174,000 people in Leeds are estimated to be in relative poverty after housing costs.
- 74,000 adult Leeds residents are estimated to be affected by in-work poverty, with an estimated 62,000 full time equivalent residents earning less than the Living Wage Foundation's recommended living wage of £9.30 per hour in 2020.
- National DWP data shows that provisionally there were 70,127 Universal Credit claimants in Leeds as of 31st October 2020, which equates to 14% of the working age population.
- Over 41,600 people in Leeds have received food through a foodbank or food parcel provider in 2019/20 (pre COVID-19), which has increased by 24% since 2018/19.
- An estimated 35,000 children under 16 are in relative poverty in Leeds.

2.4 Key areas of work over recent years have included;

- Developing an integrated advice provision to improve access by increasing opening hours and expanding telephone and web based advice to help with increasing demand.
- Supporting and working with Leeds Credit Union to increase membership and develop a range of services and products for members.
- Developing a coordinated approach to welfare reforms and the roll out of UC.
- Working alongside Food Aid Network, FareShare Yorkshire and third sector organisations on Food Insecurity.
- Leading the Financial Health and Inclusion priority of the 'Thriving: a Child Poverty Strategy for Leeds', to develop and implement a range of projects focussed on children and young people including the Healthy Holidays projects and the Leeds School Uniform Exchange.
- Increasing awareness of financial exclusion and poverty through training to frontline workers across Council and partner organisations.
- Raising awareness and increasing support for Gambling Related Harm.
- Working with the national Illegal Money Lending team to promote awareness and prevent residents from using illegal lenders, and seek help if required.
- Co-ordinating financial support services through the Money Information Centre website and the Help with Managing your Money flyer and booklet to bring together all money and financial support services available to residents of Leeds.
- Undertaking research and bringing together intelligence on subjects related to financial inclusion, poverty and inequality.

2.5 In terms of Universal Credit, Full Service commenced in Leeds from 10th October 2018 and has now been live for just over two years. The benefit is applicable both to those making a brand new claim to one of the six impacted benefits & to those transferring as a result of changes in their financial circumstances. The only current exemptions are for those entitled to Severe Disability Premium, who will remain on legacy benefits until 27<sup>th</sup> January 2021 when the current exemption known as the 'Severe Disability Premium Gateway' ends.

- 2.6 The benefit system has been crucial to the national COVID-19 response, and has been under extraordinary pressure from an unprecedented wave of applications for Universal Credit. Nationally, Universal Credit claimants have increased to 5.7 million in October 2020, which is an increase of 125% since the previous year's figure of 2.5 million. This equates to 14% of the working age population.
- 2.7 The COVID-19 pandemic has also impacted significantly on employment. Nationally, the UK unemployment rate has risen to its highest level in over three years, growing to 4.9% in the three months to October 2020, compared with 4.0% in the three months to April 2020. The UK employment rate was 75.2% in the three months to October 2020, a decrease of 0.8 percentage points from 76% in the three months to April 2020. The number of people reporting redundancy in the three months to October 2020 increased to a record high of 370,000, the highest level since the last recession.

### **3. Main issues**

#### **3.1 Reducing Poverty and improving Financial Inclusion**

- 3.2 The long established partnership approach to Financial Inclusion in the city has been essential in response to the COVID-19 pandemic. In early March 2020 the council established weekly Bronze Group meetings including internal council services and external partners on financial inclusion and separately on emergency food. The aim of both meetings was to ensure key services and organisations were kept up to date on how services were being delivered and to develop collaborative approaches to addressing issues which arose.
- 3.3 The Financial Inclusion group includes representatives from Council services including, Housing, Council Tax, Benefits and Financial Inclusion, along with partners from the DWP, Leeds Credit Union and Advices services. The key areas of focus have been;
- Sharing information on how services are operating, which are updated on the Leeds Money Information Centre website ([www.leedsmic.org.uk](http://www.leedsmic.org.uk)) and circulated on mailing lists and on social media.
  - Identifying at the earliest opportunity any trends in the customer contacts, and any areas to investigate further or adapt communications.
  - Sharing best practice and resources on social distancing for advice and support partners to purchase Personal Protective Equipment through Leeds City Council.
  - Reallocating workforce capacity to support emergency COVID-19 services, for example Customer Service Operators moving to the COVID-19 helpline and emergency food provision.
  - Reporting significant increases in Universal Credit claimant counts.
  - Ensuring that Leeds Credit Union branches remained open throughout the first lockdown in March, enabling members to access their finances, and to also administer fuel payments for the Local Welfare Support Scheme.
  - Reporting into the Silver Group Communities meeting and the quarterly Financial Inclusion Steering Group.

### 3.4 **Leeds Credit Union**

- 3.5 Throughout the pandemic Leeds Credit Union has continued to offer face to face services at four of its branches, three based in the Council's Community Hubs.
- 3.6 To support members isolating or not able to come into the branches due to COVID-19 the credit union accelerated the introduction of its new and improved online banking app.
- 3.7 Throughout the year Leeds Credit Union has maintained its normal lending policy whilst other lenders have drawn back.
- 3.8 The credit union has also given payment holidays on over a hundred loans for members struggling to repay their loans due to COVID-19; these loans totalling some £200k.
- 3.9 An unexpected consequence of COVID-19 is that the savings deposited by members into the credit union rose to an all-time record of £23M. This means that the credit union has a considerable capacity to provide more affordable loans into the community in competition to the door step lenders and help to get the local economy working again. However, there remains the continuing challenge of getting people to come to the credit union instead of turning to the high cost lenders.
- ### 3.10 **Evidence of emerging impacts of the COVID-19**
- 3.11 Both local financial inclusion research as well as updates from partners indicated that low income households were already demonstrating reduced levels of financial resilience including high levels of debt, being less likely to save and relying on borrowing to meet basic living costs. These features meant that increasing numbers of low income households would be highly vulnerable to income shocks or a financial crisis such as the COVID-19 pandemic.
- 3.12 As part of a series entitled, *Destitution in the UK*<sup>1</sup>, Joseph Rowntree Foundation research showed levels of destitution had also been growing since 2017 and many families were being pushed to the brink even before the pandemic.
- 3.13 This is consistent with the 'Covid-19 Client Data Report' (December 2020) produced by Step Change, which stated 'Coronavirus has resulted in significant hardship, with clients having to juggle bills and debt repayments while continuing to provide for their families on depleted incomes. Coping often meant skipping meals and making do with less'.
- 3.14 Nationally the Trussell Trust has also reported '47% of households surveyed at food banks during the summer owed money to DWP due to loans and overpayments of benefits –compared to 37% at the start of the year before the pandemic hit' In addition, the report also found 'Almost three out of four households on Universal Credit at food banks over the summer were repaying an advance payment' ('Lift the burden' Report, Trussell Trust Dec 2020)
- 3.15 Emerging evidence from advice partners indicates how during COVID-19, interventions such as the furlough scheme, forbearance and uplifts in benefits have been a vital support for low income families on the brink, however there are major concerns for how households will be impacted once these temporary schemes conclude.

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<sup>1</sup>Destitution in the UK 2020 – Joseph Rowntree Foundation, December 2020  
<https://www.jrf.org.uk/report/destitution-uk-2020>

- 3.16 Research by Citizens Advice 'Life on less than Zero'<sup>2</sup> reports that 75% of people in receipt of Universal Credit and Working Tax Credit would have a negative budget if the £20 uplift is removed.
- 3.17 Citizens Advice Leeds have provided the following data comparing April to September 2019 to the same period in 2020:
- Universal Credit enquiries rose to 24% of total enquiries, compared to 19% in 2019, reflecting numbers of people becoming unemployed or losing income through furlough/ sickness
  - Other welfare benefits enquiries fell to 17% of the total compared to 23% in 2019, reflecting the impact from forbearance on mortgages, bills and DWP sanctions and deductions.
  - Of all benefit enquiries, the largest issue was initial claims for UC.
  - Employment enquiries increased from 6% in 2019 to 10%, largely due to furlough, redundancy and job insecurity
  - Housing enquiries increased during 2020 from 5% in 2019 to 8%
  - There has been a fall in demand for debt advice at 12% of all enquiries compared to 14% in 2019. This reflects a fall in debt enquiries in Q1 and the effect of payments holidays, with enquiries increasing again in Q2. The national funding body for debt advice MAPS are projecting a 60% increase in debt problems in the next 18 months
  - Fuel debts and Council Tax arrears have been the largest debt enquiry areas at 10% & 8% respectively of all debt issues.
  - Of clients with a disability, people with mental health issues increased from 21% in 2019 to 25% in 2020
  - There was a 12% increase in enquiries from 20-44 year olds, reflecting the impact of the pandemic and lockdown on people of working age.
  - Enquiries from BAME clients have fallen slightly from 35% to 33%, most likely due to the closure of drop-in services which were used heavily by some BAME groups.
  - Enquiries from households with dependent children have increased from 30% in 2019 to 34%
  - Enquiries from clients living in social housing have fallen by 7% during the period, possibly a reflection of the suspension of court action. With enquiries from clients living in the private rented sector increasing by 3%
  - There has been a 5% increase in enquiries from people who are unemployed/ seeking work
- 3.18 The Emergency Food Bronze group includes representatives from Council services including Adult Social Care, Public Health, Childrens Services, Resources and Housing, Catering Leeds, Financial Inclusion, along with partners from the Food Aid Network, FareShare, Rethink Food, Trussell Trust, Voluntary Action Leeds, Food Wise, and Leeds Community Foundation. The existing relationships between organisations meant that the city was able to mobilise a response to ensure that

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<sup>2</sup> 'Life on less than zero' Citizens Advice, October 2020

[https://www.citizensadvice.org.uk/Global/CitizensAdvice/Debt%20and%20Money%20Publications/Life%20on%20less%20than%20zero%20\(October%202020\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Debt%20and%20Money%20Publications/Life%20on%20less%20than%20zero%20(October%202020).pdf)

food and other key services were being provided to vulnerable people across Leeds.

- 3.19 The COVID-19 Helpline was established alongside the existing Local Welfare Support Service. Both helplines recorded food referrals and systems were in place to ensure food and support was provided and accessible to those most in need and impacted by COVID-19. In addition to food parcels, the service offered other support with shopping, prescriptions, fuel, hygiene products, baby products, dog walking, and welfare/befriending telephone calls.
- 3.20 Support was delivered by the council and in conjunction with the third sector and volunteers through 27 Community Care Hubs, located to support residents across all 33 Leeds wards. Over the period of provision, adaptations to the service and food bag contents were made to respond to cultural and dietary needs and further details were provided in the November Scrutiny report: *Locality working in our most disadvantaged communities: tackling poverty and inequality and COVID-19 recovery*.
- 3.21 The referrals recorded by the council helplines resulted in an estimated 64,000 food bags (equivalent of 34,000 food parcels) being distributed from the food warehouse over the course of 24 weeks between March and September 2020. In addition to this support, the Council also provided breakfast and lunch bags to up to 230 homeless people every day that were being rehoused in hotels and b&bs. This resulted in over 68,000 meals to the homeless. From September this provision was handed over to St George's Crypt.
- 3.22 In addition during the school closures schools have been working hard with the council's Catering Leeds to support the increasing number of children eligible for free school meals with vouchers, meals and hampers. Throughout the period of full or partial school closure, Catering Leeds worked with a large proportion of these schools to provide a total of 95,826 daily grab bags and 170,910 daily hampers (34,182 weekly hampers). Schools were also able to support pupils entitled to a free school meal with supermarket vouchers through the Edenred national voucher scheme. Vouchers of £15 per week, per free school meal eligible pupil, would be available for schools who were unable to offer daily meals or weekly hampers. Provision decisions were made by the school and a combination of these approaches could be adopted if required. These meals made a significant contribution to children's nutrition and wellbeing, and also supported schools by enabling contact with families, during COVID-19.
- 3.23 **Leeds Food Aid Network:** Leeds FAN have reported how even before the COVID-19 pandemic, people who seemed to need recurring food support, were frequently attending food aid provisions. In addition, families accessing food aid, frequently reported struggling to cover the costs of living due to low paid work, debt and benefits not covering outgoings (often due to deductions). The COVID-19 pandemic has exacerbated these pre-existing issues.
- 3.24 Reinforcing concerns highlighted by advice partners, Leeds FAN also reported how many food bank clients with mental health problems found their issues were compounded by difficulties accessing food. Other recurring issues included the 5-week wait for UC and people not having the savings / resources needed to get through this time without help. Case studies evidencing the real lived experiences of their clients are available in Appendix 4.
- 3.25 Between 19th March and 10th May, We Care Leeds, in partnership with the Food Aid Network, offered a food parcel delivery service across the city. The service



received a total of 711 referrals in respect to 567 different people/families. Referrals were most commonly for single parent households.

**3.26 Financial Inclusion Team:** Other key areas of work to improve Financial Inclusion in the city, this year have included;

- Working with partners to adapt Healthy Holidays projects over the Easter, Summer, October and Christmas holidays.
- The Leeds School Uniform Exchange.
- Increasing awareness of financial exclusion and poverty through training to frontline workers across Council and partner organisations.
- Raising awareness and increasing support for Gambling Related Harm.
- Working with cross council colleagues and partners to create a 'Funeral Costs' help booklet and to develop low cost funeral support assistance schemes in the city
- Working with the University of Leeds to provide evidence and intelligence relating to Universal Credit and the impact of COVID 19.
- Consultations and evidence submissions to Feeding Britain, as well as The House of Lords Economic Affairs Committee Call for Evidence on 'The economics of Universal Credit' (February 2020) and Work and Pensions Committee Call for Evidence on 'The five week wait for payment' (April 2020).
- Working with the Local Government Association and Government departments to raise key issues related to poverty, welfare and financial inclusion. This involvement help to shape the emergency funding made by Government in response to the pandemic.

### **3.27 Universal Credit**

3.28 National DWP data shows that provisionally there were 70,127 Universal Credit claimants in Leeds as of 31st October 2020, which equates to 14% of the working age population. This is an increase of 42,182 claims since October 2019.

3.29 Data sourced locally through the DWP Partnership has further revealed that in October 2020, there were approximately, 30,000 UC claimants seeking work. This figure is based on the customer's intent and current ability/capability to work and is not affected by COVID-19 changes to conditionality.

3.30 Data from the local DWP Partnership revealed that prior to COVID-19, an average of 600 claims to Universal Credit were registered across the city each week. Following the COVID-19 outbreak, the number of weekly claims rose quickly through March and peaked at 6,801 during April.

3.31 As the difficult economic and social situation continues, the number of Universal Credit claims has started to rise again, with an average of 900 new claims registered per week in November 2020 as a consequence of increased redundancy notifications & economic uncertainty.

3.32 Data from DWP nationally shows almost £130 million was deducted from universal credit claims in August 2020. 68% of deductions were taken to repay advance payments with the average monthly deduction per claim being £70.

### **3.33 Policy Changes**

- 3.34 Since the last Scrutiny Committee in January 2020, there have been substantial policy changes in relation to Universal Credit, particularly in response to the COVID-19 pandemic.
- 3.35 **Impact of COVID-19**
- 3.36 Local Housing Allowance rates have been increased to the 30th percentile of market rents, and the standard allowance of Universal Credit and the basic element in Working Tax Credit have been increased by £20 a week on top of annual uprating for one year (up to April 2021).
- 3.37 Recovery of certain debts was temporarily suspended from 3rd April to 5th July, although UC advance payments continued to be deducted throughout this period.
- 3.38 Face to face medical assessments have remained suspended for all sickness and disability benefits since 17th March.
- 3.39 Implementation of The Social Security (Coronavirus) (Further Measures) Regulations 2020 temporarily suspended all work search and conditionality requirements, most sanctioning and the Minimum Income Floor (self-employed claimants) for three months. From 1st July 2020, as national lockdown restrictions were lifted, benefit conditionality has been gradually reinstated, with the DWP confirming that 'No sanction will be used until the claimant has an up-to-date Claimant Commitment in place'.
- 3.40 **Update on policy – outside of COVID-19 pandemic**
- 3.41 The Severe Disability Premium gateway is scheduled to close 27<sup>th</sup> January 2021. Until then, any UC claimants who should not have been able to claim UC because they were entitled to a Severe Disability Premium at the time/within the month before claiming, will be able to move back onto legacy benefits.
- 3.42 From 22nd July 2020 Legacy benefit claimants in receipt of Income Support, Jobseekers Allowance and Employment and Support Allowance will now automatically receive a two week run on as they "naturally" migrate to Universal Credit. This payment does not need to be repaid and is separate and in addition to the pre-existing two week run-on of Housing Benefit.
- 3.43 Managed migration: The Government had planned for managed migration to begin at scale in July 2020 and complete by September 2024. The DWP has not updated this position since the COVID-19 outbreak, however the pilot for managed migration in Harrogate has been suspended due to the pandemic.
- 3.44 Details of additional policy changes can be found in Appendix 1.
- 3.45 **Evidence and Research**
- 3.46 Leeds City Council has worked in collaboration with partners in the city including; Citizens Advice Leeds, Leeds Credit Union, Chapeltown Citizens Advice, Money buddies, Gipsil, DWP and the Leeds Food Aid Network to submit collective citywide responses and case studies in regards to Universal Credit and other Financial Inclusion issues, including;
- The House of Lords Economic Affairs Committee Call for Evidence on 'The economics of Universal Credit' (February 2020)
  - Work and Pensions Committee Call for Evidence on 'The five week wait for payment' (April 2020).
- 3.47 Leeds City Council has contributed as a key stakeholder to 'Welfare at a (Social) Distance: Accessing social security and employment support during the COVID-19

crisis and its aftermath', conducted by Leeds University and partners. The project aims to provide evidence on how well the UK benefits system is meeting the challenges presented by COVID 19, with Leeds being selected as one of four case study locations.

- 3.48 The combined findings so far suggest that when compared to existing claimants, new UC claimants are more likely to be younger, male and/or educated to university level. 8% of new claimants are from BAME backgrounds compared to 6% of existing claimants, and the report finds new BAME claimants have been disproportionately impacted by job loss and/or a reduction in hours.
- 3.49 The study also considered 'unsuccessful' benefit claimants and found over a third reported a disability and just under 10% were from BAME backgrounds. Findings also suggested that being rejected or 'unsuccessful' for benefits did not mean respondents were not experiencing financial strain, with an emerging demographic that is not in receipt of benefits, but still facing hardship including debt, mental health and financial issues being identified.
- 3.50 **Partnership Updates**
- 3.51 Partnership work is well developed in Leeds and Leeds City Council continues to hold and attend regular meetings with both cross council colleagues and external partners that include DWP, Citizens Advice and other third sector organisations, in order to identify and respond to issues at an operational level.
- 3.52 **DWP Local Partnership Update:** Nationally, DWP made numerous changes in order to respond to the pressures caused by the COVID-19 pandemic. This included the secondment of 10,000 staff from across the department to support local office staff in relation to new claims, processing and payment of benefits. National DWP also announced that the number of Work Coaches in local Jobcentres would be doubled and although this has presented additional operational considerations, many of these new work coaches are already now in post in Leeds.
- 3.53 Throughout the pandemic, the Social Justice team have been a key aspect to the DWPs local delivery of support for highly vulnerable customers in Leeds. The team have recently received a regional award and national recognition, with a view to the work undertaken in Leeds being used as a potential framework for future national implementation.
- 3.54 Locally, DWP have also continued to work with all partners in the city to utilise funding to adapt to the needs of a changing customer base. This has included further provisions for customers with addiction issues, mental health difficulties & bespoke provision for graduates. In response to feedback from Citizens Advice partners, a further funding application has been submitted to help customers with language barriers.
- 3.55 Co-location working arrangements with staff from Housing Leeds also being effectively maintained through weekly digital communication meetings, resulting in improved communication, understanding & resolution of outstanding enquiries in relation to social housing applications.
- 3.56 In response to high numbers of customer enquiries from partners throughout the pandemic, escalation processes have been revised in order to ensure partners are able to obtain relevant information in line with current guidance, with the local partnership team providing a vital support and link as part of services.

- 3.57 Across the city, all offices are currently paying between 92% and 100% of all customer's payment of Universal Credit in full (figures to 08/11/20), which is testament to the work of DWP Staff and the partnership approach to support customers across the city. Of claims which have not been paid in full, the main issues relate to personal identification, customer failure to respond to journal requests and/or outstanding housing enquiries.
- 3.58 Under revised national guidance due to the pandemic, local job centres initially processed all benefit applications via telephone including I.D verification. This inevitably led to a number of fraudulent claims which resulted in further internal investigation teams being established, to examine cases of stolen identity, claim duplication, misuse of advance payments, and false declarations etc.
- 3.59 **Citizens Advice Bureau - Help to Claim**
- 3.60 The Help to Claim service is provided by Chapeltown Citizens Advice (CCA) and Citizens Advice Leeds (CAL). Prior to lockdown CAL delivered Help to Claim locally from the city centre offices and contributed to the national telephone & webchat service.
- 3.61 Since lockdown in March 2020 all Help to Claim advice resources across the country diverted to a free phone national telephone service & an online service. From April – September 2020 CCA and CAL have assisted clients with 14,589 Universal Credit enquiries, amounting to 29.2% of all enquiries.
- 3,295 unique clients advised in relation to Universal Credit (UC).
  - 36% of those clients identify as being disabled or having a long term health condition.
  - 30% of UC clients rent their home from the Local Authority or a Housing Association and 32% rent their home from a private landlord.
  - 30% of those advised were from BAME communities.
  - 55% of clients were female and 45% male.
  - 84% of UC clients have been advised via the telephone, 8% via email and 8% via webchat/online.
- 3.62 Attached at **Appendix 3** is data which shows the type of issues dealt with by CCA and CAL since April 2020. The largest proportion (59%) of enquiries relates to the initial claim. Also attached is a breakdown of Citizens Advice UC clients by ward.
- 3.63 62% of enquiries have been dealt with by the Help to Claim funded project and 38% from other projects
- 3.64 The National Help to Claim contract with the Citizens Advice Bureau is due to finish on 31st March 2021. The DWP Local Partnership team are anticipating further advice from national colleagues in respect to whether this contract will be extended or whether alternative support will be arranged.
- 3.65 **Housing Leeds Update**
- 3.66 At the end of September 2020 13,504 Housing Leeds tenants had moved into UC full service. There was an increase in the number of tenants moving to UC during the last 2 weeks of March and throughout April, but as can be seen in the table below the rate slowed in the last quarter.

Quarter	Number of tenants moving to UC
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October - December 2019	1587
January - March 2020	1667
April – June 2020	2467
July – September 2020	1227

- 3.67 **Support to tenants:** At the start of the pandemic a high number of tenants were affected by changes to their employment and income, which was reflected in the high number of UC claims. Housing Leeds received a considerable number of queries from tenants seeking advice on their status and eligibility for furlough payments and Government help for the self-employed. Housing Leeds worked closely with the DWP to clarify emerging issues about how eligibility for the furlough scheme and help for the self-employed related to eligibility for UC and other existing welfare benefits, which facilitated staff to advise tenants promptly.
- 3.68 Housing Leeds follows a preventative approach – supporting tenants during the early stages of the UC claim to ensure that the claim is correctly made, tenants are maximising their income, and that prompt rent payments are made. To do this effectively three different service offers are used for different customer groups. The Advice and Guidance service offer is provided to those tenants comfortable with claiming, the Standard Service covers support with claiming UC and paying rent, and the Enhanced Service is a wraparound service offered to those tenants who are vulnerable and require additional support with their claim and budgeting.
- 3.69 **Managed Payment to Landlord (MPTL):** The Housing Cost element of UC is paid directly to the UC claimant by default, however landlords can apply for direct payment through a MPTL, where the tenant has more than 2 months arrears or where circumstances, as defined by DWP, make this appropriate to support the tenant. This includes the Housing Cost element, plus an amount to pay off arrears (where applicable). By the end of October 2020, Housing Leeds had applied for MPTL for 6,316 tenants claiming UC, amounting to 46.77% of all UC claims.
- 3.70 The DWP changed the way MPTL payments for current rent charges are made, and instead of a four weekly schedule, MPTLs for current rent are now paid to the landlord on the individual claimants monthly payment date. This means the payment shows on the rent account earlier, reducing ‘technical arrears’ which occurred previously outside of the claimant’s control.
- 3.71 The DWP have recently increased the functionality of the portal to allow landlords to see when APA payments will be made and how much will be paid for individual tenants. Having Trusted Partner status and access to the DWP Landlord Portal offers a more efficient process for verifying claims.
- 3.72 **Rent arrears:** A key measure when looking at the impact of UC on rent arrears is the increase in arrears since the start of claim. Housing Leeds records any rent arrears at the start of the claim and compares to the balance at the end of each period. By the end of September 2020 the total arrears for the 13,504 Housing Leeds tenants who had made a UC claim had increased by £259k from the start of their claim. This amounts to an average increase in arrears of £19 per tenant. Although arrears increase in the short term, it has been identified that they reduce over time as the UC payment becomes established and the tenant sets up regular rent payments or APA payments are introduced.
- 3.73 **Partnership working:** Housing Leeds continue to work closely with the DWP and have maintained regular communication during the COVID-19 pandemic which

allowed Housing staff to give tenants the best possible advice about benefit and income matters, including the furlough scheme and Government help for the self-employed.

- 3.74 Prior to the COVID-19 pandemic Housing Leeds arranged to co-locate Enhanced Income Officers to work in DWP offices around the city for part of the week. This gave Housing Leeds a presence in all of the DWP offices in Leeds, to resolve complex cases and develop improved approaches for hard to reach groups and tenants with court orders. This has not been possible with the restrictions of the pandemic, but officers have been able to continue to use the contacts with DWP officers developed during co-location to resolve complex cases.
- 3.75 In addition to work with DWP, Housing Leeds continues to work closely with the Leeds Credit Union (LCU) and fund the Money Management and Budgeting Service (MABS). The MABS service adapted to remote working and has seen a significant increase in referrals; providing support to an increased number of tenants since the start of the pandemic.
- 3.76 Housing Leeds continue to maintain links with a wide range of organisations which allows tenants to be referred for specialist support. Support can be accessed depending on the individual requirements of the particular tenant, including, but not limited to, debt advice, and support with mental health, drug and alcohol dependency, fuel poverty and food aid.
- 3.77 **Leeds Benefit Service Update (Council Tax and Housing Benefit)**
- 3.78 In the last 12 months since 28th November 2019 the Council has received 7,415 Housing Benefit stop notifications from the DWP, which is equivalent to 20 per day.
- 3.79 As of September 2020, Housing Benefit claims in Leeds have reduced by 18,031 since the rollout of UC full Service in Leeds in October 2018. Of these, 9,152 were Council tenant claims and 8,879 private and housing association claims.
- 3.80 The current Housing Benefit caseload as of September 2020 is 41,259 of which 26,277 recipients are working-age and 14,982 are pension age.
- 3.81 **Issues affecting the service:** The Council receive a subsidy each year to cover the cost of Housing Benefit administration. This year that subsidy is just over £2.5 million for Leeds, which is £1 million less than the allocation for 2016/17. The administration budget is being reduced to reflect the declining Housing Benefit caseload. Additionally, the Council gain revenue from the recovery of Housing Benefit overpayments and, as the Housing Benefit caseload declines, so does this stream of revenue.
- 3.82 Measures are in place to ensure that those who should be claiming UC are not inadvertently awarded HB. However this has added complexity to a process which is already challenging for both customers and assessment staff.
- 3.83 Although small in number, there have been cases where the Council has not been notified of a customer's migration onto UC. The impact of this has been that both UC and HB payments have been received in the same period resulting in an overpayment of HB which then needs to be recovered through UC.
- 3.84 Council staff have seen an increase in administration processes undertaken. For every HB claim cancelled the local authority needs to complete a form known as an MGPI and return this to DWP.
- 3.85 Some legacy benefit claimants are currently unable to move to UC by "natural" migration. Since January 2019, the introduction of the "Severe Disability Gateway" has prevented disabled people who are in receipt of the Severe Disability Premium

from moving to UC, and in doing so losing their premiums. This adds extra complexity for Housing Benefit assessment staff who need to determine whether or not an applicant should receive their housing costs via UC or HB.

- 3.86 **Council Tax Support (CTS):** In order to maximise CTS take up, UC first payment notifications are treated as a claim for CTS. This is in line with approach taken across other local authorities and ensures take up is maximised and successful UC applicants are not expected to make a separate claim for CTS.
- 3.87 The cost per claim of processing CTS is increasing as housing benefit moves into Universal Credit. This is because of the reduction in funding received from Government for administering housing benefit, which partly funds the same teams who administer CTS. CTS schemes are no longer fully funded by central government which, coupled with the reduced Housing Benefit Subsidy means that the Council faces financial pressure to ensure that the administration of CTS is as streamlined and efficient as possible.
- 3.88 Leeds currently operates two CTS schemes for its citizens. These schemes are referred to as the legacy scheme and the UC CTS Scheme. Working-age CTS applicants have their CTS limited to 75% of their liability unless they fall into a protected group. The UC CTS scheme is less complex than the legacy scheme and, against a backdrop of reduced funding from Government, is also less generous for many applicants. For example, there are no protected groups in the UC CTS scheme, which means that someone claiming UC may see their CTS entitlement reduce by 25%. For customers who move to UC and lose 100% protection there is a discretionary hardship scheme and this is publicised with front-line services and on LCC website. Most applicants who receive UC and do not work will be expected to pay 25% of their annual council tax liability themselves. If an applicant works as well as receiving UC their CTS entitlement will be reduced dependent upon their earnings.
- 3.89 In the case where a housing benefit stop notification is received CTS is left in payment and the customer details are updated based upon their UC entitlement once their details are established. This is in order to support customers as they wait the minimum 5 weeks for their UC claim to be determined.
- 3.90 The table below illustrates the growth in caseload for the UC CTS scheme and the corresponding decline in caseload for the more generous legacy CTS scheme:

	<b>Position at 31/12/18</b>	<b>Position at 01/10/20</b>
Legacy Caseload	62,725	47,240
UC CTS Caseload	1,814	19,829

- 3.91 The tables below display an overall increase in the number of citizens in Leeds who claim CTS. However, the COVID-19 pandemic has mostly contributed to this increase. The CTS caseload in Leeds grew by 4255 between April 2020 and October 2020 although caseload growth has slowed significantly over recent months.

	<b>Number of CTS recipients September 2018</b>	<b>Number of CTS recipients in November 2020</b>
Working Age	41,553	45,246

Pension Age	23,747	20,959
Total	65,300	66,205

3.92 It is likely that the less generous nature of the UC CTS scheme has meant that some working UC recipients are no longer entitled to CTS. There are now more customers who only receive CTS as opposed to HB&CTS, in Sept 2018 there were 4341 working age people in Leeds claiming CTS but not HB. This increased to 20502 in Sept 20 as illustrated by the table below:

	Number of CTS only claims in Sept 2018	Number of CTS only claims in Sept 2020
Working Age	4341	20502
Pension Age	8537	9057
Total	12,878	29,559

3.93 **CTS Hardship:** As part of its response to COVID-19, the Government provided local authorities in England with new grant funding to support economically vulnerable people and households in their local area. Leeds was allocated £8,921,883. The Government expectation is for billing authorities to use the majority of the funding to provide relief to individual council taxpayers, alongside existing working age local council tax support schemes. Using this additional funding, Leeds Council Tax Service has uplifted the maximum CTS award for over 25K non-protected working-age CTS recipients from 75% to 100%. This approach has meant that this year an additional 19K CTS recipients have had no council tax to pay.

3.94 So far, around £7M of the allocation has been awarded to working-age CTS recipients and there are plans in place to award the remaining allocation before April 2021. This includes a plan to target working-age lone-parents and families with children who have historical council tax debt.

3.95 **Free school meals:** The free school meal caseload continues to grow as a result of the changes made by DfES and the proactive work carried out by LCC. However this year a rise in awards can also be directly attributed to the COVID-19 pandemic with the income of families reducing to a level that now entitles them to a UC award and subsequent FSM. The number of pupils eligible in Leeds for free school meals as at November 2020 is 29,939 children. Take up of free school meals has been running consistently between 75% and 81% since 2013. As at Jan 2020 it was 78.5%.

3.96 **Discretionary Housing Payments (DHP):** A DHP may only be awarded when a Local Authority considers that the customer requires further financial assistance towards housing costs and the UC award includes a housing cost element towards rental liability. The main reasons for claims are;

- Due to the removal or spare room subsidy (bedroom tax).
- Local Housing Allowance restrictions for single people in UC.
- People with rent arrears facing eviction, or requiring to pay rent or bonds in advance.
- The impact of the benefit cap.



- 3.97 The number of DHP claims from UC customers since October 2018 has been 4,698 with 2,741 successful awards.
- 3.98 **Test and Trace Support Payment:** During September the Government announced a Test and Trace Support Payment of £500 for those on low incomes to support those that cannot work during their self-isolation period. The scheme was introduced in response to feedback from local authorities and directors of public health that financial constraints were affecting the ability of some residents to self-isolate as directed.
- 3.99 Local Authorities are funded by Government to administer these payments until 31 January 2021 (currently) and the scheme went live in Leeds on 12th October 2020.
- 3.100 To be eligible for the Statutory Test and Trace Support Payment, an individual must meet minimum criteria set by Government, and LAs also received a single amount of funding for a discretionary scheme for customers that do not meet all the statutory requirements, but are considered to be in need of assistance.
- 3.101 In order to qualify, an applicant must be in receipt of a qualifying benefit which excludes many applicants. Until recently those told to isolate via the NHS test and trace App were unable to apply and awards could only be made to those told to self-isolate by NHS Test and Trace via phone, email or text. This posed a significant barrier but has now been rectified (10<sup>th</sup> December 2020).
- 3.102 The position in Leeds on 10th December 2020 was as follows:
- Total applications: 2,085
  - Applications assessed to-date: 1,920
  - Successful applications: 1,006 (52% of the 1,920 assessed to-date)
  - Unsuccessful applications: 914 (48% of the 1,920 assessed to-date)
  - Number of claims paid: 974 (97% of successful applications)
  - Number awaiting assessment / further information: 165
- 3.103 **COVID Winter Grants Scheme**
- 3.104 Leeds City Council received £2.8 million from the governments COVID Winter Grants Scheme, which is to assist families and individuals most in need with the costs of food, energy and other essential items over the winter.
- 3.105 Funding has been used to provide approximately 35,000 children in poverty with food over the Christmas and February school holidays. Assist households with payments for food, fuel and essential items both directly and through a wide network of voluntary and third sector organisations.
- 3.106 **Welfare Rights Unit and Third Sector Partner update**
- 3.107 Through regular meetings and communication with Council services including the Welfare Right Unit and external partners the following issues have been identified. A list of all partners consulted in respect to this Scrutiny report can be found in **Appendix 5**.
- 3.108 Communication at a local level has been commended and celebrated by partners, however communication with national DWP poses significant ongoing challenges. In particular, a lack of response by DWP to UC journal entries has been identified as particularly frustrating given that UC is a digital system. The need for follow up calls

via the UC helpline often leads to delays and confusion for all involved including DWP staff.

- 3.109 Partners report that UC deductions continue to cause severe financial hardship for claimants, and the UC debt management system remains extremely difficult to navigate both for claimants and advisers. This issue is particularly problematic for claimants dependent solely on means tested benefits.
- 3.110 Due to the impact of COVID-19 on employment, many clients reported fluctuating financial circumstances, particularly for those impacted by furlough, changeable hours, redundancy pay, zero hour contracts, Self Employed Income Support Scheme claimants. Although UC is more flexible in these circumstances than legacy benefits, these fluctuations can result in claims being closed and the claimant having to undertake additional measures to re-open or re-start the claim.
- 3.111 There are many issues and concerns relating to the process of claiming UC, that have been raised by partners since the roll out of UC first began in Leeds in 2018. A lack of access to digital resources for more vulnerable clients is one such issue that predates the pandemic, but is arguably now exacerbated due to limited public access points (i.e. Community Hubs, Libraries and Job Centres) caused by COVID-19 related restrictions.
- 3.112 It has been reported that clients with complex needs, often struggle to maintain the online journal and adhere to UC commitments, putting them at increased risk of sanctions and loss of income. The Welfare Rights Unit have continued to successfully refer the details of such cases to the local relationship manager at DWP to highlight this issue and resolve cases where possible.
- 3.113 Claimants often present to advice services in the city with multiple queries, and appointments are both complex and time consuming due to the need for 'better-off' calculations, verification documentation and claim completion as a minimum. Money buddies have reported that 'the number of Social Welfare issues clients are presenting with since COVID-19 outbreak has more than doubled from 2 to 5, including; housing, employment, relationship breakdown and abuse.'
- 3.114 Instances of claimants being wrongly advised to claim Universal Credit rather than remaining on legacy benefits also continue to be identified, which is of particular concern in relation to people with disabilities who may be worse off financially if they claim UC in error.
- 3.115 The initial 5 week wait for payment continues to be a cause for concern, with partners reporting that the pattern of claimants falling into debt and relying on food and/or fuel vouchers during this period, as reported in the 2019 UC Scrutiny report persists. A sharp rise in housing related issues has been described by Money buddies, with most advice agencies in the city anticipating a considerable increase in emergency housing and debt related enquiries in the coming months as payment 'holidays' come to an end and court action in relation to evictions is resumed.
- 3.116 Unemployment due to redundancy, lack of income and food for families in isolation and bubbles have increased relationship issues, including financial abuse of partners and relationship/family breakdown. Clients are presenting with more than just debt issues, and employment issues have increased.
- 3.117 Following on from the initial claim, the need for further support and additional complications is common, particularly in cases where the claimant requires a mandatory reconsideration due to failing the Habitual Residence Test. These cases are challenging due to the multiple needs of the clients, including no/limited alternative sources of income, language issues, lack of digital skills.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

4.1.1 This report provides an update on the impacts and activity related to UC, all organisations involved in the delivery of UC or provide advice and guidance have been consulted.

### **4.2 Equality and diversity / cohesion and integration**

4.2.1 The Government's UC has implications for equality and diversity and it has been subject to equality impact assessments by the DWP.

4.2.2 The COVID-19 pandemic has been shown to disproportionately impact specific protected characteristics identified in the Equalities Act. Research continues to be undertaken in order to fully consider and respond to this impact.

### **4.3 Council policies and the Best Council Plan**

4.3.1 The work set out in this report on financial inclusion and the proactive partnership approach to work to implement UC in the city contributes towards achieving the Council's ambition to build a compassionate city and tackling poverty and reducing inequalities. The overarching aim of the Best Council Plan is 'Tackling Poverty and Reducing Inequalities'. The activities set out in this report support the Best City Priority of Safe, Strong Communities through;

- Keeping people safe from harm, protecting the most vulnerable.
- Helping people out of financial hardship.
- Tackling crime and anti-social behaviour.
- Being responsive to local needs, building thriving, resilient communities.
- Promoting community respect and resilience.

#### Climate Emergency

4.3.2 A key aspect of the work on poverty alleviation and the COVID-19 Emergency Food Response is the redirection of surplus food.

4.3.3 For the period 16<sup>th</sup> March 2020 to 12<sup>th</sup> December 2020, based on food redistributed to 92 Leeds based organisations via Fareshare and the Leeds Emergency Food response it is estimated that 737.2 tonnes of surplus food, with an estimated equivalent retail value of £1,192,783 has been intercepted and therefore saved from disposal to waste.

4.3.4 Food is a major contributor to climate change as it results in methane emissions which have a greater impact on climate change than the equivalent amount of CO<sub>2</sub>. However, for consistency of approach it has been calculated that the CO<sub>2</sub> equivalent of the emissions that have been saved from escape to the atmosphere is 3,096 Waste tonnes of CO<sub>2</sub> in the year

4.3.5 The Uniform reuse scheme also contributes to the priority around addressing the Climate Emergency. In the first 10 weeks of the project between June and September 2020, over 3,000 items of uniform, with an estimated total value of £50,000 was recycled, saving a potential 600kg of textile waste with an equivalent value of 10,800kg of CO<sub>2</sub> saved.

#### **4.4 Resources, procurement and value for money**

#### **4.5 Legal implications, access to information, and call-in**

4.5.1 There are no specific legal implications or access to information issues with the report.

#### **4.6 Risk management**

4.6.1 Both Universal Credit and the impact of COVID-19 are associated with increased risks of rent arrears and Council Tax arrears. By ensuring all staff are fully equipped with the relevant knowledge of UC and the support tools available to them, the risks continue to be mitigated.

4.6.2 UC is part of a wider welfare reform programme that is already covered by the Corporate Risk on welfare reform, which is reviewed on a regular basis and which looks at risks around rent arrears and other housing issues.

4.6.3 The wider economic effects of COVID-19 such as job losses, business closures and reduced incomes are impacting on local authority budgets across the country, leading to risks in being able to maintain essential support services.

### **5. Conclusions**

5.1 COVID-19 has put further pressures on low income households and the most vulnerable in our society, and has also pushed many more households into financial uncertainty, hardship, to seek support and advice and to claim benefits.

5.2 It is also clear that this strong partnership approach has helped to mitigate some of the impact of the COVID-19 pandemic so far, and will be vital for the city in terms of support and recovery as the situation develops.

5.3 In terms of UC, the changes made to the benefit throughout the pandemic, particularly the £20 weekly uplift and the suspension of deductions from benefits, have been welcomed, and the fact that the DWP have been able to process the large volume of claims is to be recognised. However, there are still many ongoing underlying problems that relate to the welfare system.

5.4 The issues raised in this report are understood by all parties involved due to continued communications and partnership work. The work being undertaken in the city is reported to regional and national bodies through the local DWP, Citizens Advice and Welfare Rights groups.

### **6. Recommendations**

6.1 That the information supplied in this report is noted.

6.2 That Scrutiny Board, make any recommendations for future monitoring the impact of the work being undertaken to address financial inclusion and the impact of Universal Credit.

### **7. Background documents<sup>3</sup>**

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<sup>3</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

## **Appendix 1**

### **Further Updates on UC policy**

- On 5th March 2020, the government announced changes to UC regulations, which will provide a 'UC run on' to claimants who reach pension age. Under normal UC rules, changes in circumstance are actioned from the beginning of the assessment period, meaning when a claimant reaches pension age (and is generally no longer eligible for UC\*), the UC award would end for that entire assessment period – regardless of whether they reached pension age at the start, middle or end of their assessment period. In some situations, this has created a 'gap' in benefit entitlement, as Pension Credit can only start from the day the claimant actually turns State Pension Age. Although the date of the legislation change is yet to be announced, the DWP have confirmed that the changes are already in place on an extra statutory basis, meaning those who reach State Pension Age while claiming Universal Credit will receive a payment for the entire Assessment Period in which they reach State Pension Age, thereby ensuring there is no gap in benefit provision as people approach State Pension Age.
- From November 2020, the DWPs contract with the Post Office has ended, meaning claimants will no longer be able to register a Post Office Card Account to receive benefits such as Universal Credit. This means that those without access to mainstream bank accounts will need to be assisted to open a bank account, or find an alternative service such as a Credit Union Account or the Payment Exception Service.
- Planned Surplus Earning regulations were put in place to prevent working claimants from manipulating when earnings are reported in order to receive more UC. For example – reporting 6 months' worth of earnings in one assessment period enabling the claimant to receive more UC in the other periods. The surplus earnings regulations are complex, but ensure any income spikes are taken into account for future months. The current threshold of £2500 is due to reduce to £300 from April 2021. This considerable reduction will likely mean more claimants with (genuinely) fluctuating income will be affected. The rules are complex, and may cause budgeting issues for those affected as well as an increase in related queries for advice agencies.

## **Appendix 2 – Research and Evidence**

- [The House of Lords Economic Affairs Committee Call for Evidence on 'The economics of Universal Credit' \(February 2020\)](#)

- [Work and Pensions Committee Call for Evidence on 'The five week wait for payment' \(April 2020\).](#)
- Welfare at a (Social) Distance: Accessing social security and employment support during the COVID-19 crisis and its aftermath. All reports in this series are being published here: <http://hub.salford.ac.uk/welfare-at-a-social-distance/publications/>
- There are currently 3 reports in the series, available in full at the links below:
  - **Report 1:** Claiming but Connected to Work
  - **Report 2:** Who are the new COVID-19 cohort of benefit claimants?
  - **Report 3:** At the Edge of the Safety Net: Unsuccessful benefits claims at the start of the COVID-19 pandemic

### **Appendix 3 – CITIZENS ADVICE/HELP TO CLAIM**

Figure 1 shows the types of UC issues dealt with by CCA and CAL from 1 April to 30 September 2020. The largest proportion of enquiries- 60% have been about initial claims.

Figure 1

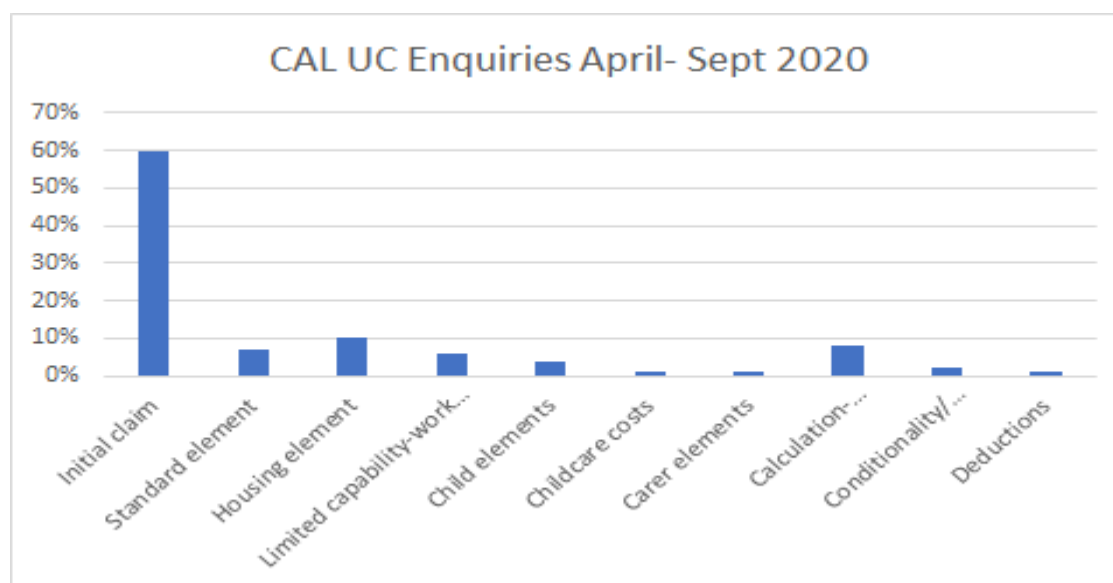
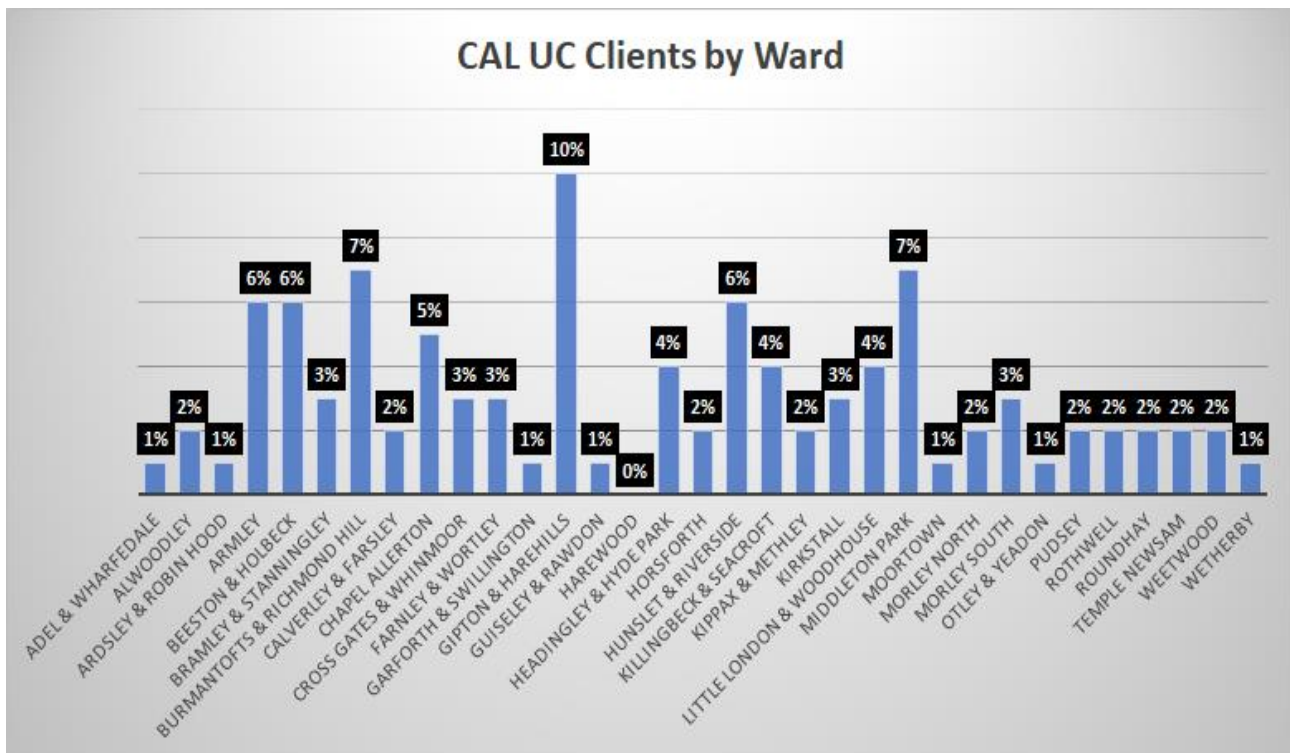


Figure 2 shows Citizens Advice UC clients by ward in Leeds

Figure 2



#### **Appendix 4 Leeds Food Aid Network – Lived Experiences/Case Studies of food bank users**

The case studies below provide examples of the referrals seen by providers and volunteers at the Leeds Food Aid Network

25<sup>th</sup> March - He is very ill at the moment with Crohn's disease and a brain injury and is in and out of hospital. The hospital have advised him he needs to self-isolate due to being considered vulnerable. Unfortunately, he lives alone and has little social support, so he is really struggling for food. He also has no money, due to spending money on taxis back and forth to the hospital as he can't get on public transport.

5<sup>th</sup> April - I have not had a job since January, I take a universal loan, I cannot take a job because of the coronavirus, we have a very high debt, my partner has strong anxiety and she cannot work, they have cancelled her commission. We need food help.

6<sup>th</sup> May - States that she has not eaten properly since last Wednesday (29<sup>th</sup> April). Universal Credit payment does not come in until 11.5.20 and PIP payment on the 13.5.20. Partner's Carer's Allowance also does not come in until next week. Already struggling with debts and used last of savings. Has arthritis and low mood and often difficult to get out. Has no credit on her phone so has not been able to contact agencies for help, socially isolated and therefore has no friends or family checking in on her.

28<sup>th</sup> May - I have severe mental health problems & asthma, my daughter has diabetes & asthma and her partner also has asthma. I am really struggling financially as I'm on benefits. We are having to go without food sometimes for 2 or 3 days just to make sure the baby can eat.

29<sup>th</sup> June - Her benefits haven't been processed since her release (from Prison) and she has no access to money at the moment. Also, her flat has been taken over whilst she was in custody and left in a poor state. If there are any cleaning supplies that are available, anything would be of some use to her.

18<sup>th</sup> August - S is a destitute asylum seeker who has submitted a fresh claim and is awaiting the outcome of a claim for S4 support. She lives with her daughters who have recently been successful with their asylum claims. Client has exhausted Red Cross food voucher allowance.

19<sup>th</sup> August - I am having a lot of money issue problems at minute, as I've had a few problems with work in the past month. I have a job now, but my weekly pay has been switched to monthly pay and therefore I am struggling with money problems until 10<sup>th</sup> of September, as I currently live alone and am 2 months in arrears on rent for this month and next. I'm struggling really bad with gas and electric.

27<sup>th</sup> August - Single person who has moved into a 1 bed flat after being homeless for 2 years since he lost his grandma who brought him up. B is on UC, but had a lot of loans and court fines being deducted from his UC, leaving him suffering with hardship until his next payment, which is a week away. I am in the progress of trying to get him some debt advice to see if they can reduce the repayment etc.

26<sup>th</sup> November - A has anxiety and depression. She had 2 fines taken from her UC benefit which she was unaware were being taken this month. This has left her very short of money and very little food. Her next UC payment is not until 10<sup>th</sup> December.

#### **Appendix 5 – List of consulted partner agencies**

- Citizens Advice Leeds
- Chapeltown Citizens Advice
- Gipsil
- Leeds Food Aid Network
- Leeds Credit Union
- Ebor Gardens/Money Buddies
- DWP Leeds