Social Publishing Project

Universal Credit: Fundamental Strategic Responses by Stakeholders

BACKGROUND
Universal Credit (UC) is the Government's new system for most working age benefits – generally, JSA, ESA, income support, housing benefit, child tax credits and working tax credits. UC will also be accessed, managed and paid differently. There are a number of challenges for claimants and, in turn landlords and other stakeholders, to consider. These cannot be over-stated, as repeated trials have proved.

This paper supports stakeholders, like landlords, with building a strategic response to UC. The Social Publishing Project[1] (SPP), through its Quids In-branded products, helps people on low incomes manage their money, including around changes to welfare. The details gathered for this audience, intelligence obtained through surveys and discussions with colleagues in the field across the UK have informed this paper. It aims to reduce duplicated effort and support effective planning.

KEY CHALLENGES FOR CLAIMANTS
- Direct payments – Housing Benefit element is no longer paid to landlord. Claimants need to budget and keep rent monies safe. Vital bills will compete with more immediate financial demands. Just 48% of *Quids in!* readers say they use a bank account and basic bank accounts do not always accommodate standing order payments or 'bills account' facilities to keep a budget for bills safe
- Monthly payments – UC is paid monthly and in arrears. Even with a low volume, claims were taking an average six weeks to process – longer if the claim was queried – with just a month's payment made once in place. Most claimants were in debt from the start
- Single household payments – All claims per household are paid to one recipient, exacerbating the challenge for budgeting but also relationships. UC payments have not been found to be consistent, so re-allocating monies may be problematic
- 'Digital by Default' – UC is administrated online. Claims must usually be made via the internet. Just 19% of *Quids in!* readers say they would be prepared to claim benefits online and 26% had no access to the internet. In pilots, the online form was found to be complex, requiring information not readily to hand, timing out before complete with no option to save applications once in progress

STRATEGY: THE 3 'B'S
Universal Credit is such a comprehensive system, responding to its challenges requires simplification. Case by case, a more sophisticated response may be required but for generic plans, SPP focuses on The 3 'B's:

BUDGETING	BANKING	BEING ONLINE (Broadband?)
Key message: Claimants must prioritise financial commitments and keep vital bills safe, even faced with other demands. They need to know their budget balances and take action if more goes out than comes in	*Key message: UC usually requires a bank or credit union account. These should allow direct debits and a 'jam jar' facility to keep bills monies safe. Users should understand charges and take care over credit facilities*	*Key message: UC expects claims to be managed online. Anyone due to migrate to UC without internet access should find free to access facilities and support as early as possible and get familiar with online forms*
- Maximise awareness of how UC works and its potential pitfalls. Include details of support available - Promote savings to cover transition period - Make clear consequences of non-payment of vital bills - In person, phone and digital access to local advice, pooled between landlords and authorities - Promote budget planning and distribute materials, promote links to online facilities - Develop peer programmes to engage, inform and influence communities - Signpost: debt advice, income max, employability support and welfare rights services	- Identify and promote local banks offering appropriate facilities - Build links with local banks and ensure users find them accessible - Promote credit unions offering accounts with good accessibility and functionality to manage standing orders and protect money for bills, eg, jam jar accounts - Encourage online banking where practical, as this has been found to reduce debt and arrears	- Promote the wealth of benefits to people who are online – and the future need for all claimants to be online - Encourage involvement in 'the fun stuff', including social networks and discount shopping - Don't alienate people who are offline but offer support to access services online - Provide free to access IT facilities with peer support to maximise take up - Invest in/ promote affordable broadband - Promote access to benefit claimants - Develop local content on accessible web pages, bearing in mind poor literacy and IT skills and English as second language

RESOURCES BY SPP AND PARTNERS
A range of materials to support the responses proposed above are already produced by SPP and more info can be found here. SPP is also building links with delivery partners to help stakeholders develop local facilities for jobseekers and other benefit claimants and an overview and contact details are available here.

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[1] SPP is a not-for-profit social enterprise, in business to help combat poverty and reduce financial exclusion. It works with landlords to maximise the impact of materials, like the quarterly *Quids in!* magazine, which reached 300,000 social tenant households in 2014. On the ground, we link up with delivery partners who provide support to people from disadvantaged communities.