

National Audit Office – Universal Credit; getting to the first payment
NACCOM submission February 2020

What are the main issues people face in making a claim for UC and getting to first payment?

NACCOM (the No Accommodation Network) is a national network of over 50 organisations providing accommodation to people who have been refused asylum, refugees and migrants with no recourse to public funds. Homelessness amongst newly recognised refugees is an advocacy focus of our work and we produced research reports, 'Mind the Gap' in 2018 and 'Mind the Gap – One Year on' in 2019. Both of these reports referenced the impact of the 5-week wait for Universal Credit and the mismatch between the Home Office's 28-day 'move-on' period and the 35-day wait for Universal Credit¹.

The evidence submitted to the NAO is focused on the experiences of people who are newly recognised refugees applying for Universal Credit, the majority of whom will be moving on from Home Office asylum accommodation.

Refugees make up a considerable proportion of those supported by NACCOM's members, in 2018-19 of the 3211 people accommodated, 853 (27%) were refugees.

There is a clear mismatch between Home Office and DWP timeframes. Despite concerted advocacy from NACCOM and NGO partners since the launch of UC, the Department for Work and Pensions and the Home Office are unwilling to work together and provide joined-up support. Whilst all newly recognised refugees who have been accommodated in and supported financially through Home Office asylum support are given 28 days' notice to leave their accommodation, the first payment of Universal Credit is not made until 35 days after application. The failure of an adequate 'move-on' period from asylum support leaves refugees destitute.

In 2018-19, 40% (337) of the refugees accommodated by the network were without access to any benefits or employment when they first registered with a NACCOM member organisation, whilst for a further 116 people it was not known whether they were receiving any benefits². The 28-day Home Office time frame is incompatible with the 35-day wait for people to receive their first payment of Universal Credit and leaves newly recognised refugees destitute for a period of at least one week (most likely more). In turn, people are left vulnerable and at risk at a time when they should be rebuilding their lives.

¹ NACCOM (2018) Mind the Gap https://naccom.org.uk/wp-content/uploads/2018/10/NACCOM-Homelessness-Report_2018-10-24.pdf
NACCOM (2019) Mind the Gap – One Year On https://naccom.org.uk/wp-content/uploads/2019/06/NACCOM-Homelessness-Report_2019-06-18_DIGITAL.pdf

² NACCOM annual survey 2019

What progress do you think DWP has made in trying to address these issues?

The DWP's response to criticism around UC delays has been to point at the availability of advance payment loans. However, there are multiple barriers to refugees in accessing these, including a lack of awareness of the loans, difficulties in setting up bank accounts and unwillingness to go into debt. In January 2019, a response to a parliamentary question confirmed that the DWP had not made any specific assessment around access to advance payments for refugees (Baroness Buscombe, Written Question, HL Deb, 3 January 2019, cW).

Repayments on this advance payment loan leave people with less money throughout the following 12 months, as the IPPR showed debt deductions can make a significant impact and can be up to 40% the value of the award³. These calculations do not include debt deductions for the 'integration loan' offered by the Home Office to eligible newly recognised refugees to help pay for rent deposits or rent, household items or education and training for work. When the UC advanced payment loan and integration loan are combined, the joint repayments can make up a significant proportion of the person's weekly income.

People who have previously been on asylum support (£37.75 per week) and who have not been allowed to build up savings are left disadvantaged and with less cash than they are entitled too at a time when they desperately need support.

To what extent do different groups experience different problems when making a claim?

Barriers for those with low levels of English

The DWP does not provide interpreters or translation for people who are newly recognised refugees as standard practice. For people who have limited English language skills and who are negotiating a new system for the first time this can lead to miscommunication and reliance on external charities for advocacy. A lack of interpreted and translated services means that people who are refugees often miss out on additional information that could support them. For example, not understanding that an advance payment loan is available to them.

People previously on Section 4 asylum support

For people who are refugees who were in receipt of Section 4 asylum support at the time of their decision, further difficulties are faced waiting for the 35-day payment. This is because Section 4 support does not enable people to access cash and thus people do not have any ability to 'carry over' cash in the interim period between the end of their asylum support and the start of their UC payments.

³ IPPR (Nov 2019) Social (in)security: Reforming the UK's social safety net

Why might some claimants delay making a claim to UC?

The point at which someone is granted refugee status is fraught with challenges and stress. People must transition from asylum support to mainstream benefits, find new accommodation and begin to rebuild lives that have often been left in limbo by prolonged periods waiting for their asylum claim to be assessed.

People must achieve the above in a short 28-day timeframe during their asylum support notice period, whilst not receiving UC payments for 35-days. For people who have additional vulnerabilities, such as, low English language skills, being a survivor of torture, and/or mental or physical health needs, navigating the benefits system can be overwhelming without additional support.

The majority of people who are refugees will not have engaged with the DWP before and often delay applying for UC because they are unfamiliar with DWP processes and unaware of their entitlements. NACCOM members provide advocacy for all newly recognised refugees that they support and it is common that people only approach NACCOM members for support towards the end of their 28-days, having not understood the urgency of applying for support as soon as they receive their Biometric Residence Permit (BRP) and NINo.

How effective is government support for claimants going through the initial claim process?

The new asylum support contracts for which the Home Office are responsible include a provision for positive move-on support (currently contracted to Reed in Partnership in England), however this is not currently widely accessed⁴ and support still ends at 28-days and before the first payment of Universal Credit.

If applicable: How would you describe DWP's engagement with you regarding issues arising from the initial claim process and UC in general?

NACCOM attends the National Asylum Stakeholder Forum move-on sub group. This is a group co-chaired by the Home Office and the Refugee Council and is attended by representatives from the DWP.

Focus thus far has been on encouraging people to make the UC application as soon as their 28-day notice period starts and we welcome a new DWP leaflet informing clients of

⁴ DWP and Home Office (2019) Post Grant Appointment Service Evaluation Report.

<https://www.parliament.uk/documents/commons-committees/work-and-pensions/Correspondence/190603-PGAS-report.pdf>

this that is now sent with the BRP. However, as explained above, this letter is not available in languages other than English and does not address the fundamental problem of the inbuilt period of destitution.

We welcome engagement with the DWP and the Home Office, but perceive that there is a lack of will to work together to find a meaningful solution to the disconnect of departmental time frames. NACCOM is actively campaigning for the Home Office to extend the 28-day move on period for as long as is needed to reduced homelessness and destitution. We would also welcome the introduction of faster Universal Credit payments for people who are recently recognised refugees. The result of the current system is that people are left intentionally destitute when they are granted refugee status and face immediate barriers to integrating into their local communities.