



Consortium for the Regional Support for Women in Disadvantaged and Rural Areas

The Impact of Universal Credit on Women

September 2020

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Acknowledgements

This research has been undertaken collaboratively by the members of the Consortium for the Regional Support for Women in Disadvantaged and Rural Areas (hereafter, either the Women's Regional Consortium or simply the Consortium), which is funded by the Department for Communities (DfC) and the Department of Agriculture, Environment and Rural Affairs (DAERA).

The Women's Regional Consortium consists of seven established women's sector organisations that are committed to working in partnership with each other, government, statutory organisations and women's organisations, centres and groups in disadvantaged and rural areas, to ensure that organisations working for women are given the best possible support in the work they do in tackling disadvantage and social exclusion.¹ The seven groups are as follows:

- ♀ Training for Women Network (TWN) – Project lead
- ♀ Women's Resource and Development Agency (WRDA)
- ♀ Women's Support Network (WSN)
- ♀ Northern Ireland's Rural Women's Network (NIRWN)
- ♀ Women's TEC
- ♀ Women's Centre Derry
- ♀ Foyle Women's Information Network (FWIN)

The Consortium is the established link and strategic partner between government and statutory agencies and women in disadvantaged and rural areas, including all groups, centres and organisations delivering essential frontline services, advice and support. The Consortium ensures that there is a continuous two-way flow of information between government and the sector. It also ensures that organisations/centres and groups are made aware of consultations, government planning and policy implementation. In turn, the Consortium ascertains the views, needs and aspirations of women in disadvantaged and rural areas and takes these views forward to influence

¹ The remaining paragraphs in this section represent the official description of the Consortium's work, as agreed and authored by its seven partner organisations.

policy development and future government planning, which ultimately results in the empowerment of local women in disadvantaged and rurally isolated communities.

“Women have the power to change the way society works and how services are shaped. It happens when they are supported to step into the process with the confidence to tell their stories and demand action from those who make decisions.”²

This research is informed by women’s views articulated through Consortium engagement events, questionnaires and interviews. It must be noted that research work in this area was severely restricted by the Coronavirus pandemic with a number of focus groups cancelled due to lockdown measures. Research work therefore had to focus on telephone interviews and online questionnaire research with women through local Women’s Centres/Consortium Partners.

I want to thank the individual women who took part in this research for their contributions and the staff and managers of the local Women’s Centres and Consortium Partners who helped share the questionnaires among the women that use their services. While it was difficult to conduct research in a lockdown environment the commitment, time and hard work of those involved enabled the gathering of the evidence presented in this research and I thank them most sincerely for their help with this.

Thanks to:

- Consortium Partners, Women’s Centres and member groups/organisations for their contribution.
- Those who facilitated focus groups, distributed questionnaires and arranged individual interviews.

² Women at the Heart of Public Consultation, A guide for Public Authorities and Women’s Organisations, WRDA, November 2017
https://wrda.net/wp-content/uploads/2018/10/WRDA_WomenAtTheHeartOfPublicConsultation.pdf

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Executive Summary

The overall aim of this research project was to explore the perspectives of women - living and working in disadvantaged and rural areas of Northern Ireland - on the application process, design and lived experience of Universal Credit. This paper examines the current research on Universal Credit and the problems associated with the design of the benefit. It focuses on how design flaws with Universal Credit, particularly around the five-week wait, impact on women.

Universal Credit has proved controversial since it was introduced and reports of problems with the benefit have been widely documented. Often the biggest challenge people face when they move to Universal Credit is the five-week wait for the first payment. The wait has resulted in claimants going without food, heating and other essentials. It has left many already struggling families experiencing severe financial hardship and taken its toll on people's mental health with increased levels of stress and anxiety.

There is substantial evidence to suggest that Universal Credit is failing the most vulnerable causing severe and ongoing problems for many claimants. Aside from the major problem of the five-week wait and associated issues with Advance Payments there are problems with the online nature of the benefit, how childcare costs are paid, the single payment, the rigidity of Universal Credit assessment periods and increased conditionality and sanctions. Many of these problems are likely to have greater impacts for women.

Structurally women are more likely to have to claim social security benefits due to their concentration in low paid, part-time and insecure work and traditional gender roles which make them more likely to provide childcare and other caring roles. The amalgamation of a number of existing benefits into Universal Credit has meant that this is now the key benefit for many women and families who will have to rely on it if they are on a low income, out of work or unable to work due to sickness.

This research undertaken by the Women's Regional Consortium between March and July 2020 reflects the experiences of local women with Universal Credit. It paints an

overwhelmingly negative picture of life for women living on Universal Credit fraught with financial insecurity, worry, debt and in some cases cold and hunger. Their stories detailed throughout this report show their reality of trying to put food on the table and provide for their children and families. It also highlights how the design of Universal Credit does little to protect women and their children from living on low incomes and poverty.

The importance of Universal Credit to act as a safety net for people in difficult times cannot be understated. This is even more evident as a result of the Coronavirus pandemic which saw claimant numbers in Northern Ireland and across the UK experience dramatic increases at the height of the pandemic. Before the pandemic women were already more vulnerable to poverty but job losses and the need to provide increasing levels of unpaid care are likely to increase poverty and dependence on social security benefits especially for women.

In its recovery response to the pandemic it is important for Government to ensure that Universal Credit provides adequate support to enable people and families to recover from this crisis and get back on their feet. Crucial to this response is that women do not pay the price for the resulting recession, as they did for the last one, and Universal Credit is an important part of any recovery response. There is now an even more urgent need for Government to act to resolve some of the problems identified with the design of Universal Credit so that it can help to prevent hardship and poverty and provide genuine support when women and families need it most.

There is also the potential for local action by the Northern Ireland Assembly to strengthen the existing mitigations package to account for some of the new challenges resulting from Universal Credit. This would undoubtedly help to protect the many women and families who are so negatively impacted by Universal Credit.

The key findings of this research are set out below followed by recommendations for change, which these findings inform.

Summary of Key Findings

- The majority of the women participating in this research had a negative experience of Universal Credit. Of the small number who had a more positive experience they felt that this was because they had good computer skills or because they had experience working in the advice sector.
- 32% of the women had applied for Universal Credit as a result of the Coronavirus pandemic due to job loss, reductions in working hours and reduced opportunities to get work.
- For the women who had not applied as a result of the Coronavirus pandemic the most common reason for applying for Universal Credit was the birth of a new baby (28%), change of relationship status (18%), change or loss of job (16%) or having caring responsibilities (8%).
- 74% of the women reported problems applying for Universal Credit some of them were able to resolve the problems themselves (37%), some needed help to make their application (28%) and a smaller number found the process unmanageable (9%).
- 61% of the women who had experienced problems applying for Universal Credit felt the process was too long and 32% reported that they had difficulty understanding it.
- Many of the women (63%) said they did not need help to make their application. For those who did need help (37%) the most common source of help was through the Jobs & Benefits Office/local Social Security Office or from an advice centre, friend or family member.
- The majority of the women (77%) reported that they had waited the stated five weeks for their initial payment with 17% waiting longer than five weeks. The reasons given for the longer wait were problems uploading documents on the system and delays in getting responses to queries.
- Almost all of the women reported negative impacts due to the five-week wait for Universal Credit. Many had needed to borrow money from family members/friends (61%) or lenders (25%) to survive. Some had been forced to cut back on food/essentials to make ends meet (53%) and others had resorted to selling their possessions (18%) or using a foodbank (21%).

- The personal impacts of the five-week wait were severe with 89% of the women suffering stress/anxiety as a result of the wait and the worry about how they would provide for their families. Others reported getting into debt or further in debt (51%) and getting behind with their bills (42%). Sadly, some of the women reported that the five-week wait had impacted negatively on their children (39%) or that they had felt cold/hungry (30%) due to a lack of money.
- 58% of the women had applied for an Advance Payment to get them through the five-week wait. Of those who had taken an Advance Payment 42% were experiencing difficulties paying it back.
- The most common reason given by the women for not taking an Advance Payment was the fear of getting into debt/further debt. Others reported being afraid that they could not meet the repayments.
- 86% of the women had not heard about the Universal Credit Contingency Fund which is paid as a grant and is therefore an important area of help for people suffering hardship as a result of Universal Credit. Of the small number who had heard about the Contingency Fund most had heard about it from a family member/friend or from the Jobs & Benefits/local Social Security Office.
- Only two women who took part in the research had received help through the Contingency Fund.
- Most of the women (82%) had not experienced any problems with childcare costs through Universal Credit. Of the 18% who did experience problems these mostly concerned the necessity of having to pay upfront fees to the childcare provider while waiting on help being paid through Universal Credit.
- 39% of the women felt that they were worse off on Universal Credit than on their previous benefits. The amounts ranged from relatively small amounts to hundreds of pounds worse off. Just 18% felt they were not worse off.
- Most of the women had received a response to a message on their Universal Credit journal either the same day (9%) or in one to four days (66%). The most common problems reported with the journal were not being able to speak to a person about the claim, not getting questions answered properly and receiving generic replies to their messages which left them confused.
- The majority of the women reported that support to get through the five-week wait would have helped them get through the Universal Credit process better.

84% felt that making the Advance Payment a grant rather than a loan and 75% felt that a shorter/no wait for the initial payment would have helped them. Some women reported that being able to apply in person or by telephone rather than primarily online would have helped them with the process.

- Some of the women felt degraded by the Universal Credit process and reported feelings of worthlessness and low self-esteem.
- Many of the women felt that the amount they received on Universal Credit was inadequate to live on forcing them to go to foodbanks and getting into debt.
- The way that the Universal Credit assessment periods work caused huge frustration for some of the women who were worried about two pay days falling within the assessment period and adversely impacting on their claim.
- Some of the women reported stress and frustration because they never knew when they were going to receive their payment and how much Universal Credit they were going to receive each month. This made planning and managing household budgets even more difficult.
- A number of the women reported problems getting their Universal Credit questions answered by staff, sometimes this was due to insufficient training on the benefit or due to delays in getting responses back from staff members.
- Some of the women reported experiencing arrears with their housing payments as a result of Universal Credit. For those in private rented accommodation this was particularly worrying due to a lack of security of tenure.

The recommendations that follow from these findings are set out below:

Recommendations

- ♀ As society emerges from the Coronavirus pandemic and the resulting recession it is imperative that women do not pay the price as they did for the previous financial crash.³ Part of the solution must be to ensure that the benefits system (particularly Universal Credit as the Government's main welfare provision) provides sufficient support to the large numbers of women likely to be impacted by the crisis due to existing gender norms. **We recommend that in its recovery response Government should apply an intersectional gender lens to social security policy, particularly in relation to Universal Credit, so that policies are developed and implemented to specifically support women who have been impacted by the Coronavirus crisis.**
- ♀ Too often Universal Credit does not provide sufficient income for women and their families to afford the basic essentials of life. While the economy and labour market recovers from the Coronavirus pandemic it is vitally important that the social security system provides a safety net for families. We welcome the fact that Government increased the standard allowance of Universal Credit for one year to help people during the pandemic. **The Women's Regional Consortium recommends that the increase to the standard allowance of Universal Credit should be made permanent to help protect claimants from poverty and allow them to meet their basic living costs. We also recommend a further £20 per week increase to the child element of Universal Credit to specifically support families with children through the crisis and as we emerge from it.**
- ♀ The Universal Credit five-week wait causes severe hardship, debt and distress and has further negative consequences for children. Repaying Advance Payments pushes many claimants into hardship well beyond the initial claim period and starts claimants off on their Universal Credit journey in debt. **The**

³ Research by the House of Commons Library shows that 86% of the savings to the Treasury through tax and benefit changes since 2010 will have come from women. By 2020, men will have borne just 14% of the total burden of welfare cuts, compared with 86% for women.
<http://researchbriefings.files.parliament.uk/documents/SN06758/SN06758.pdf>

Women's Regional Consortium recommends an end to the five-week wait. While the five-week wait remains we recommend that Advance Payments are turned into non-repayable grants instead of loans to help prevent claimants getting into hardship and debt. Locally, we back calls from the Cliff Edge Coalition for the DfC to consider providing an automatic grant from the Universal Credit Contingency Fund for all those who are claiming Universal Credit for the first time.

- ♀ It is clear that many women are unaware of the valuable help available through the Contingency Fund for Universal Credit. Claimants are being offered loans through Advance Payments but not being told about the possibility of accessing non-repayable grants through the Contingency Fund unless they know to explicitly ask about this. **We recommend that the DfC should do much more to inform claimants about the help available through the Contingency Fund and should work to simplify the process for claiming this help as much as possible.**
- ♀ We welcome the action taken by the DfC to temporarily suspend the recovery of benefit overpayments and loans from a range of benefits including Universal Credit in response to the Coronavirus pandemic. However, this did not apply to the recovery of Universal Credit Advance Payments which continued to be made and which have caused hardship to many claimants. **We recommend that given the ongoing nature and extent of this crisis the suspension of the recovery of benefit debt should be extended beyond three months. This suspension should include the recovery of Advance Payments on all new claims for Universal Credit for at least six months. This would help to ease the financial pressures that come with unemployment and living on a reduced income.**
- ♀ We believe the two-child limit is an attack on women and low-income families and risks pushing more families and children into poverty. **We recommend the removal of the two-child limit in Universal Credit and Tax Credits. Locally we back calls from the Cliff Edge Coalition for the DfC to provide an additional payment to families who have children and who are impacted by the two-child limit.**
- ♀ The Benefit Cap mitigation is only available to those claiming benefits when it was introduced. Most of those impacted by the Benefit Cap are women given

that the majority of lone parents are women. **The Women's Regional Consortium also backs the call from the Cliff Edge Coalition that the Benefit Cap mitigation should be available to all new claimants who were not in receipt of the relevant benefits in 2016.**

- ♀ Upfront childcare costs act as a significant barrier to work for many families especially for lone parents. **The Women's Regional Consortium backs the recommendation from the Work and Pensions Committee⁴ that the DWP should develop Universal Credit's systems to enable childcare costs to be paid directly to childcare providers. This would alleviate the problem of prohibitive upfront costs, help claimants with budgeting, and give providers themselves much-needed certainty of income. Direct payments would also substantially reduce the risk of fraud and error.**
- ♀ The payment of Universal Credit into a single bank account has the potential to leave women without access to money trapping them in situations of poverty and violence. **The Women's Regional Consortium recommends that split payments of Universal Credit are the default option and that the DfC should carry out awareness raising work with claimant support organisations to advertise this option.**
- ♀ Transitional Protection is an important safeguard for claimants. **The Women's Regional Consortium recommends that Government take steps to ensure anyone who has inadvertently left themselves worse off by claiming Universal Credit or because of an incorrect Department decision is returned to their previous benefits or have their Universal Credit awards topped up to the level of their previous benefits. They should also have their entitlement to transitional protection for any future move to Universal Credit by managed migration restored.**
- ♀ Some claimants have found the process of making and managing their Universal Credit online particularly difficult. There should be an acknowledgement that not everyone has the ability to cope with an online process and that others struggle with access to the internet (particularly in rural areas) and the necessary technology with which to make claims. **We**

⁴ Universal Credit: Childcare, House of Commons Work and Pensions Committee, Twenty-Second Report of Session 2017-19, HC1771, December 2018
<https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/1771/1771.pdf>

recommend that the process of making and managing Universal Credit claims should be more user-friendly providing more options for claimants who struggle with the online process. This should include the availability of more face-to-face contact to provide additional support to those who need it.

- ♀ Given the complexity of Universal Credit and the benefits system in general it is important that Universal Credit staff members give accurate and timely information to claimants. It is also important that claimants have access to free, independent advice in relation to their claims particularly if they experience difficulties or struggle to understand the process. **The Women's Regional Consortium recommends that Universal Credit staff members are well trained in the benefit and sufficiently resourced to answer queries on time. We also stress the importance of claimants having access to free, independent advice and recommend specific funding for community level information, advice and advocacy work that reaches out to those who are the most vulnerable and marginalised to ensure they can access their rightful entitlements.**
- ♀ The welfare reform agenda and now the Coronavirus pandemic has created a crisis situation where women need more help in the form of support, education and advice however support services for women are under serious threat from funding cuts with many organisations reducing services, losing staff or closing altogether. To compound this funding deficit it is feared that Brexit will also mean the loss of valuable EU funding. **The Consortium recommends that government should ensure proper recognition of, and support for, the role of community-based women-only provision in addressing women's vulnerability and poverty in rural and disadvantaged areas. This should include a commitment to increase and provide longer-term funding for women's organisations to enable them to continue and develop the vital services they provide in these increasingly difficult times.**

1. Introduction

1.1 Background

In 2012 the DSD (now DfC) in partnership with the DARD (now DAERA) launched a programme aimed at providing regional support for women in ‘areas of greatest need’ across Northern Ireland, defined as disadvantaged and rural areas.⁵ More precisely, the programme sought to ‘serve the needs of marginalised and isolated women’⁶ in these areas by enabling them ‘to tackle disadvantage and fulfil their potential in overcoming the barriers that give rise to their marginalisation, experience of poverty and exclusion.’⁷

The Women’s Regional Consortium is funded under this programme and the brief for this small-scale project originated within that policy development context.

1.2 Overall aim and objectives

The overall aim of this research project was to explore the perspectives of women - living and working in disadvantaged and rural areas of Northern Ireland - on the application process, design and lived experience of Universal Credit.

Two main research objectives apply:

- To capture and analyse the perspectives of women – living and working in disadvantaged and rural areas of Northern Ireland – on the impact of Universal Credit on their lives; and
- To formulate policy recommendations based on the project findings.

⁵ Review of government funding for women’s groups and organisations, DSD/OFMDFM, August 2012, p32

https://www.communities-ni.gov.uk/sites/default/files/publications/ofmdfm_dev/review-report-funding-for-womens-groups-organisations-june-12.pdf

⁶ Ibid, p41

⁷ Joint Policy Statement, Programme for Regional Support for Women in Disadvantaged Areas and Rural Areas, DSD/DARD, June 2012, p5

<https://www.communities-ni.gov.uk/publications/joint-policy-statement-programme-regional-support-women-disadvantaged-areas>

1.3 Methodology

The project employed a mixed methodological approach, combining a literature review with focus group, questionnaire engagement and individual interviews to capture the experiential knowledge and views of women living and working in areas of greatest need. It must be noted that focus group engagement was severely limited by the Coronavirus pandemic and subsequent lockdown measures. A focus group session was held with 11 women in Greenway Women's Centre on 26/02/20. Further focus groups were planned but had to be cancelled due to lockdown. Online questionnaires were completed by 57 women and a series of short individual interviews were carried by telephone to be used as the basis for case studies. Women were asked for their experiences and views on the Universal Credit application process, design of the benefit (particularly the five-week wait) and the impact of the benefit on their everyday life.

1.4 Layout

To frame the project we begin in **Section 2** by exploring the current research on Universal Credit, the problems associated with its design particularly in relation to women, the impact of the benefit in terms of debt and mental health issues and how the Coronavirus pandemic has brought increased focus on Universal Credit in terms of claimant numbers and the support it provides. The outcomes of the focus group, questionnaire and telephone interview engagement is described in **Section 3**. The paper concludes in **Section 4** by summarising the project's key findings and setting out associated policy recommendations.

2. Framing the project

2.1 What is Universal Credit?

Universal Credit is a payment for people over 18 but under State Pension age who are on a low income or out of work. It includes support for the cost of housing, children and childcare, and financial support for people with disabilities, carers and people too ill to work.⁸

Universal Credit is the flagship policy in the Government's welfare reform programme representing the biggest change to the welfare system since the 1940s. It aims to simplify the benefits system and help people move into and progress in work. It replaces six existing so-called 'legacy benefits'⁹ and merges them into one payment.

Universal Credit is made up of a standard monthly allowance plus extra payments which might apply depending on the claimant's circumstances. Claimants could be eligible for extra payments if they have children, if they work and pay for childcare, if they have a disability or serious health condition, if they need help with their housing costs and/or if they are a carer for a person with a disability or have a child with a disability. The amount of the standard allowance depends on the claimant's circumstances and varies according to age and if the claimant has a partner or not.

A claimant's entitlement to Universal Credit depends on their circumstances and their income in each 'assessment period'. The assessment period for Universal Credit is one month. However, while each claimant's assessment period is one month they do not all start and end on the first and last day of each calendar month.

Universal Credit is paid via a single Universal Credit payment directly into a claimant's bank, building society or credit union account. The process to claim Universal Credit is online and involves the setting up of an online account. After a claimant applies it usually takes five weeks to get their first Universal Credit payment. Claimants can ask

⁸ <https://www.nidirect.gov.uk/articles/you-claim-universal-credit>

⁹ The legacy benefits are: Income-based Jobseeker's Allowance, Income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit (rental)

for an Advance Payment of Universal Credit if they think they will not have enough money to live on while they wait for their first payment. These are loans repaid by direct deductions from Universal Credit payments over the following 12 months.

2.2 Rollout of Universal Credit

Universal Credit was introduced in Northern Ireland in September 2017 under the Welfare Reform (NI) Order 2015 on a phased geographical basis. It started its rollout in Limavady and the rollout completed in December 2018 in Ballymena and Antrim. Only those claimants who are making a new claim or who have had a change of circumstances which means they would have to make a new claim for a legacy benefit will move to Universal Credit. This is a process known as ‘natural migration’.

‘Managed migration’ whereby claimants getting legacy benefits will have their claims transferred to Universal Credit has been subject to delay due to widely reported problems with the benefit. Former Secretary of State for Work and Pensions, Amber Rudd confirmed a delay to managed migration in January 2019 announcing a pilot programme instead, the results of which are to be assessed before this process starts.¹⁰ The Department for Communities (DfC) had also confirmed that managed migration in Northern Ireland will be deferred until 2020 with the aim of completion by 2023.¹¹ It has recently been announced that the DfC have postponed the planned managed migration of Universal Credit due for January 2021.

The DfC estimated that approximately 312,000 households in Northern Ireland will be transferred to Universal Credit when it is fully rolled out.¹²

The latest available statistics (to May 2020)¹³ show there were 108,620 households (127,310 claimants) on Universal Credit. The average amount of Universal Credit paid

¹⁰ <https://hansard.parliament.uk/Commons/2019-07-22/debates/8111667B-E194-41D6-9496-FE1E870225E6/UniversalCreditManagedMigration>

¹¹ <https://www.bbc.co.uk/news/uk-northern-ireland-46849823>

¹² Northern Ireland Universal Credit Information Booklet, Department for Communities, September 2016

<https://www.communities-ni.gov.uk/sites/default/files/publications/dsd/Impact%20of%20UC%20Booklet%20-%20Sept%202016%20Update.pdf>

¹³ Universal Credit: Northern Ireland, Data to May 2020, NISRA & DfC, August 2020

was £680 per month. In May 2020 the majority of Universal Credit households in payment were single people (58%), 27% were lone parents, 11% couples with children and 4% couples with no children.

Of the households who had started on Universal Credit, 53% had availed of an Advance Payment. The average amount paid per households was £610. Advances were more likely to be availed of by single and lone parent households compared to couples or couples with children. Almost two thirds of lone parent households (63%) who started Universal Credit by the end of May 2020 had received advances with an average advance of £930.¹⁴

2.3 Impact of Coronavirus Pandemic on Claimant Numbers

The Coronavirus pandemic has had a huge impact on the number of Universal Credit claims due to the scale of job losses and the impact of the lockdown on people's working lives. Since the start of the pandemic, there have been unprecedented levels of demand for Universal Credit. There were 2.4 million starts to Universal Credit in the UK between 13 March 2020 and 14 May 2020, the first two months after lockdown started and as of 9 July 2020 there were 5.6 million people on Universal Credit.¹⁵

On 1 March, 70,000 people were claiming Universal Credit in Northern Ireland and by 26 April this number had risen by 80% to 126,000. The number of applications during this 8-week period totalled 65,700 with a ten-fold increase in new claims recorded at the height of the crisis in mid-March. Despite this the DfC was able to make 107,330 payments on time equating to 99.1% of all payments due over that period.¹⁶ Latest available figures from the DfC show that monthly new claims to Universal Credit remain higher than normal (10,070 new claims in May 2020) although they have reduced from the peak of claims in March and April.¹⁷

<https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-ni-uc-stats-may-2020.pdf>

¹⁴ Ibid

¹⁵ Universal Credit Statistics: 29 April 2013 to 9 July 2020, DWP, August 2020

<https://www.gov.uk/government/publications/universal-credit-statistics-29-april-2013-to-9-july-2020/universal-credit-statistics-29-april-2013-to-9-july-2020#claims-on-uc-header>

¹⁶ <https://www.communities-ni.gov.uk/news/minister-publishes-information-impact-covid-19-universal-credit-claims>

¹⁷ Northern Ireland Benefit Statistics Summary May 2020, NISRA & DfC, August 2020

2.4 Universal Credit Flexibilities in Northern Ireland

Local politicians have agreed a number of payment flexibilities for Universal Credit in Northern Ireland. Payments are made twice a month rather than monthly as in GB to help low-income households manage tight budgets. The housing element is paid directly to landlords to help avoid increasing rent arrears.

In Northern Ireland split payments were originally planned to be offered with no default position of a single payment paid in full into a single bank account. However, in reality this is not happening meaning that those seeking split payments have to specifically request them. However, uptake has been extremely low and the IT systems used to pay Universal Credit cannot make split payments automatically and it is therefore a manual process.

In addition the Welfare Mitigations Working Group¹⁸ recommended a number of measures to help claimants in Northern Ireland with the move to Universal Credit. The first was a supplementary payment to Universal Credit claimants in recognition of the expenses those in employment would incur and this was to be added to the Discretionary Support scheme. This was to be known as the Cost of Work Allowance. This payment was to have a “*special weighting for lone parents taking account of the cost of childcare.*”¹⁹ There was a total of £105 million allocated for the Cost of Work Allowance over three years - £35 million for each year but it was never implemented. It is clear that these payments had the potential to help many low-income women.

The Welfare Mitigations Working Group also proposed the setting up of a Contingency Fund for Universal Credit. The Working Group recommended £2million to be set aside per annum from 2017 to make non-repayable emergency payments where hardship occurs as a result of difficulties which are not due to any fault on the part of the claimant.

<https://www.communities-ni.gov.uk/system/files/publications/communities/benefit-statistics-summary-may-2020.pdf>

¹⁸ Welfare Reform Mitigations Working Group Report, January 2016

<https://www.executiveoffice-ni.gov.uk/sites/default/files/publications/ofmdfm/welfare-reform-mitigations-working-group-report.pdf>

¹⁹ Review of Welfare Mitigation Schemes, Department for Communities, March 2019, Para 4.14

<https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-review-of-welfare-mitigation-schemes-2019.pdf>

A Northern Ireland Audit Office report²⁰ however showed that uptake was below estimates with £136 million of the available funding not utilised in the first two years. Over 25% of this underspend related to the Cost of Work Allowance not being implemented. After negotiations between HMRC and the DfC, HMRC notified the Department that payments made under the Cost of Work Allowance scheme would be treated as taxable income. This would ultimately mean that low-income claimants would lose a proportion of this payment to tax and it would also have implications for their tax credit payments. This is what led to the Cost of Work Allowance not being implemented.

The Audit Office report also highlighted that uptake of the Universal Credit Contingency Fund (UCCF) has been low *“which may suggest difficulties in accessing these payments, a lack of awareness or an overestimation of need.”*²¹ Figures showing the number of people who applied for a payment from the introduction of the fund and the total spend²² are detailed below:

Period	Applications	Spend
6.11.17 – 31.03.18	93	£16,587.30
01.04.18 – 31.03.19	5671	£572,060.34
01.04.19 – 30.09.19	2809	£359,614.96
TOTAL	8573	£948,262.60

A recent Assembly Question²³ on this issue has updated these figures reporting that from November 2017 to January 2020 there were a total of 10,367 applications to the Fund of which 8,100 were successful. Previous Women’s Regional Consortium research²⁴ on the impact of austerity and welfare reform showed that many local women had not heard about or availed of this important help.

²⁰ Welfare Reforms in Northern Ireland, Northern Ireland Audit Office, 17 January 2019
<https://www.niauditoffice.gov.uk/sites/niao/files/media-files/Welfare%20Reform%20Report%202019.pdf>

²¹ Ibid

²² The Universal Credit Contingency Fund (UCCF) (change to eligibility criteria effective from January 2020), DfC, November 2019
<https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-uccf-change-to-eligibility-criteria-effective-jan20-screening.pdf>

²³ <http://aims.niassembly.gov.uk/questions/printquestionssummary.aspx?docid=296606>

²⁴ Impact of Ongoing Austerity: Women’s Perspectives, Women’s Regional Consortium, March 2019

In January 2020 a change was made to the eligibility criteria to remove the requirement for claimants to receive an Advance Payment of Universal Credit before being eligible for the UCCF. This will make eligibility for this payment less restrictive and is to be welcomed. However, the DfC have acknowledged that *“the volume of claims to the UCCF to date has been unexpectedly modest and it is unlikely that this is solely attributable to the requirement to initially claim a UC Advance before applying.”*²⁵

Research by the Joseph Rowntree Foundation on Universal Credit in Northern Ireland²⁶ has shown that while different payment arrangements and mitigations for Universal Credit in Northern Ireland were very welcome *“they did not make enough of a difference to detract from the overall experience of Universal Credit as negative.”* This research also highlighted the lack of knowledge about existing help with Universal Credit: *“Levels of awareness of the discretionary mitigations were often low, and the systems for claiming them were sometimes problematic.”*

The New Decade, New Approach agreement²⁷ committed to both extending existing mitigations in Northern Ireland beyond March 2020 when they were due to run out and to carry out a review of the mitigation measures. The Cliff Edge NI Coalition²⁸ campaigned for an extension of the existing mitigations beyond March 2020 and also a strengthening of the mitigations to take account of new challenges that people face particularly Universal Credit. Cliff Edge are calling for a one-off supplementary payment to be made to people claiming Universal Credit to support them through the five-week waiting period.

<http://www.womensregionalconsortiumni.org.uk/sites/default/files/Impact%20of%20Ongoing%20Austerity%20Women%27s%20Perspectives.pdf>

²⁵ The Universal Credit Contingency Fund (UCCF) (change to eligibility criteria effective from January 2020), DfC, November 2019

<https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-uccf-change-to-eligibility-criteria-effective-jan20-screening.pdf>

²⁶ Universal Credit could be a lifeline in Northern Ireland, but it must be designed with people who use it, Ruth Patrick and Mark Simpson, with UC:Us, Joseph Rowntree Foundation, June 2020

<https://www.jrf.org.uk/report/universal-credit-could-be-lifeline-northern-ireland-it-must-be-designed-people-who-use-it>

²⁷ New Decade, New Approach, January 2020

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/856998/2020-01-08_a_new_decade_a_new_approach.pdf

²⁸ The Cliff Edge NI Coalition is a group of over 100 organisations from across Northern Ireland who came together to express concerns about the end of welfare reform mitigations in March 2020. The Women's Support Network is a member of the Coalition's Working Group and the Women's Regional Consortium is a Coalition member.

2.5 Problems with Universal Credit

Reports of problems with Universal Credit are not new and have been widely documented since it was introduced by the Conservative-led coalition Government in 2010. Most recently a report published by the House of Lords Economic Affairs Committee²⁹ has called for the Government to make substantial changes to Universal Credit in order to protect the most vulnerable and blamed the schemes design for soaring rent arrears and foodbank use. The Chair of the Economic Affairs Committee, Lord Forsyth of Drumlean said: *“Most people, including our Committee, broadly agree with the original aim and objectives of Universal Credit. However, in its current form it fails to provide a dependable safety net.....The mechanics of Universal Credit do not reflect the reality of people’s lives. It is designed around an idealised claimant and rigid, inflexible features of the system are harming a range of vulnerable groups, including women, disabled people and the vulnerable.”*³⁰

New research by the Joseph Rowntree Foundation into Universal Credit in Northern Ireland found that recipients in their study *“broadly experienced the benefit in negative ways.”*³¹

Universal Credit has proved controversial almost from the beginning for a number of different reasons, some of which are outlined below.

2.5.1 Value of Universal Credit

Cuts to Universal Credit since it was announced have made it less generous than was originally envisaged. Universal Credit Work Allowances (the amount of money a claimant is allowed to earn before their Universal Credit payment is affected) have been cut so that claimants earn less money before their payments start to reduce.

²⁹ Universal Credit isn’t working: proposals for reform, House of Lords Economic Affairs Committee, July 2020

<https://publications.parliament.uk/pa/ld5801/ldselect/ldeconaf/105/105.pdf>

³⁰ <https://www.parliament.uk/business/committees/committees-a-z/lords-select/economic-affairs-committee/news-parliament-2019/universal-credit-report-published/>

³¹ Universal Credit could be a lifeline in Northern Ireland, but it must be designed with people who use it, Ruth Patrick and Mark Simpson, with UC:Us, Joseph Rowntree Foundation, June 2020
<https://www.jrf.org.uk/report/universal-credit-could-be-lifeline-northern-ireland-it-must-be-designed-people-who-use-it>

Work allowance levels were reduced substantially or abolished in April 2016. Since then only those with a disability or a child get a work allowance and the rate is based on whether a claimant's Universal Credit includes amounts for housing costs or not. This means that for some claimants the value of their Universal Credit is reduced as soon as they start earning.

Widespread concern about the rates and allowances of Universal Credit led to the Government announcing an increase in the Universal Credit work allowances by £1,000 a year from April 2019.³² Concern about the value of Universal Credit has been further complicated by the benefit freeze which has meant that most benefits, including Universal Credit, were frozen for a four-year period from April 2016 and have not risen with inflation during that period.

The rate of Universal Credit has increased twice in April 2020. The first increase on 1 April reflected the end of the benefit freeze and saw a 1.7% rise in many social security benefits including Universal Credit. There has been an additional increase of £20 per week to the standard allowance of Universal Credit to help people during the Coronavirus pandemic. This has been a welcome step in helping to tackle some of the financial repercussions of Coronavirus for low-income claimants.

Winners and Losers

Nationally a report by the Institute for Fiscal Studies³³ stated that transferring to Universal Credit from the old system would mean a loss of at least £1,000 a year for 1.9 million adults and a gain of at least £1,000 a year for 1.6 million adults. Those with the lowest incomes stand to lose the most: *“those in the lowest-income 10% of the population on average lose the most from universal credit – a 1.9% fall in their income, equivalent to £150 per year per adult.”*³⁴

³² Universal Credit: Budget 2018, HM Treasury, October 2018
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752073/Universal_Credit_web.pdf

³³ Universal Credit and its impact on household incomes: the long and the short of it, IFS Briefing Note BN248, April 2019
https://www.ifs.org.uk/uploads/publications/bns/Universal_credit_and_its_impact_on_household_incomes_the_long_and_the_short_of_it_BN248.pdf

³⁴ Ibid

Locally the DfC made some estimates on the numbers of claimants likely to benefit and lose out from the introduction of Universal Credit in Northern Ireland. They estimated that 114,000 households in Northern Ireland will be entitled to an average of £26 more per week, 126,000 households will be entitled to an average of £39 less per week and 72,000 households will experience no change to their entitlement.³⁵

2.5.2 Universal Credit ‘five-week wait’

Perhaps the most controversial aspect of Universal Credit has been the so-called ‘five-week wait’. In-built in the design of Universal Credit is a waiting period at the start of a claim. Originally this waiting period was six weeks but the former Chancellor Philip Hammond bowed to pressure to ease the hardship caused by the benefit by announcing the reduction of the initial wait from six weeks to five in his 2017 Budget.

There have been well documented consequences for claimants in having to wait five weeks (some claimants have had to wait longer) for their first payment of Universal Credit. It is often the biggest challenge claimants face with the benefit and has led to widespread evidence of claimants going without food, heating and getting into debt to cover their bills.

In a recent interview Stephen Timms, Chair of the Work and Pensions Committee described Universal Credit as plagued by “*very, very serious flaws*” foremost among these is the “*indefensible*” five-week wait for payment.³⁶ He said that many new claimants do not have the savings to wait that long without income, often running up rent arrears, debt and becoming reliant on foodbanks.

The House of Lords Economic Affairs Committee which reported on Universal Credit in July 2020³⁷ described the five-week wait as the main cause of insecurity stating:

³⁵ Northern Ireland Universal Credit Information Booklet, Department for Communities, September 2016
<https://www.communitiesni.gov.uk/sites/default/files/publications/dsd/Impact%20of%20UC%20Booklet%20%20Sept%202016%20Update.pdf>

³⁶ Stephen Timms: ‘Universal credit’s five-week delay is indefensible, Patrick Butler, The Guardian, 22 June 2020
<https://www.theguardian.com/society/2020/jun/22/stephen-timms-universal-credits-five-week-delay-is-indefensible>

³⁷ Universal Credit isn’t working: proposals for reform, House of Lords Economic Affairs Committee, July 2020

“The wait entrenches debt, increases extreme poverty and harms vulnerable groups disproportionately.” The Committee recommended that the five-week wait is replaced by a non-repayable two-week grant to all claimants.

The Joseph Rowntree Foundation (JRF) estimates that two in five families due to move onto Universal Credit will be unable to meet their basic living costs during the five-week wait. That equates to two million families unable to afford the basics needed to get by.³⁸

Research by the Trussell Trust³⁹ shows that in areas where Universal Credit has been rolled out for at least a year, food banks in their network have seen a 30% increase in demand rising to 48% after two years. This research led the Trussell Trust to conclude that the minimum five-week wait for Universal Credit has led to acute and immediate financial hardship and worsened households’ longer-term financial resilience. This included signs of destitution (inability to afford food or heating, going hungry), housing insecurity (rent arrears, eviction risk and homelessness) and indebtedness (multiple debts, high-risk loans, suspended utilities).

Citizens Advice⁴⁰ reported that the five-week wait for a first payment left nearly half of the claimants it advised unable to pay household bills (48%) or forced them to go without basics such as food or heating (46%) while 54% had to borrow cash from family and friends to stay afloat.

There is strong evidence that one of the most immediate impacts of the wait for the first payment is household debt.⁴¹ StepChange reports that the five-week wait for the

<https://publications.parliament.uk/pa/ld5801/ldselect/ldconaf/105/105.pdf>

³⁸ We need to end the five-week wait for Universal Credit – here’s how, JRF Blog, Iain Porter, September 2019

<https://www.jrf.org.uk/blog/end-five-week-wait-universal-credit>

³⁹ #5WeeksTooLong, Why we need to end the wait for Universal Credit, The Trussell Trust, September 2019

https://www.trusselltrust.org/wp-content/uploads/sites/2/2019/09/PolicyReport_Final_ForWeb.pdf

⁴⁰ Managing Money on Universal Credit, How design and delivery of Universal Credit affects how people manage their money, Citizens Advice, February 2019

[https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20\(FINAL\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20(FINAL).pdf)

⁴¹ Hardship Now or Hardship Later? Universal Credit, Debt and the Five Week Wait, The Trussell Trust and StepChange, June 2019

https://www.trusselltrust.org/wp-content/uploads/sites/2/2019/09/PolicyReport_Final_ForWeb.pdf

first payment led almost all their clients affected (92%) to experience some form of hardship or financial difficulty.⁴² Their survey research on the wait for the first Universal Credit payment showed that 60% had asked for financial help from family or friends, 33% had used credit to pay for essentials, 56% had fallen behind on debt repayments, 47% had fallen behind on their rent or mortgage repayments and 7% had taken out a loan from an unlicensed lender/loanshark.

Locally Law Centre NI have highlighted UC:Us research⁴³ which indicates that money difficulties was the defining experience of Universal Credit and that the five-week wait operated as the trigger.

The five-week wait has also caused issues with housing arrears. There has been a rise in arrears caused by the five-week wait in the social rented sector. In 2018/19 the average arrears for Northern Ireland Housing Executive tenants on Universal Credit was £700.05, compared to an average of £191.82 for Housing Benefit claimants.⁴⁴ These arrears have also had particularly serious implications for those in the private rented sector in Northern Ireland as most private landlords only have one or two properties⁴⁵ and are therefore much less likely to be able and willing to withstand arrears of this level.

2.5.3 Advance Payments

The five-week wait forces many people to turn to Advance Payments in order to provide for themselves and their families during the wait period. The main problem with Advance Payments is that they are a loan which must be paid back and effectively puts claimants in debt at the very outset of their claim. The rules around repayment

⁴² Problem debt and the social security system, StepChange, January 2020

<https://www.stepchange.org/Portals/0/assets/pdf/social-security-mini-brief-report.pdf>

⁴³ Law Centre NI's Submission to the Committee for Work and Pensions Inquiry into Universal Credit: The Wait for a First Payment, Law Centre NI, May 2020

<https://lawcentreni.s3.amazonaws.com/Law-Centre-NI-Universal-Credit-the-wait-for-a-first-payment-17-April-2020.pdf>

⁴⁴ Statistics provided by Northern Ireland Housing Executive Welfare Project Team on 14/05/19 and quoted in Cliff Edge NI Coalition's Submission to the Joint Inquiry into Welfare Policy in Northern Ireland, May 2019

https://www.housingrights.org.uk/sites/default/files/Cliff_edge_NI_Coalition_response_westminster_inquiry-welfare-policy-NI.pdf

⁴⁵ 84% of private landlords in Northern Ireland own 1 or 2 properties, Department for Communities' Landlord Registration Scheme

of Advance Payments are quite stringent as they must be paid back through automatic deductions in their monthly payments over twelve months from the very first Universal Credit payment. In Northern Ireland repayments are taken from the twice monthly Universal Credit payment. In exceptional circumstances repayments can be delayed for up to three months but repayment must be completed within fifteen months.

Deductions for Advance Payments are set at fixed levels by Government and can be hard to challenge. It is paid back at the amount of the advance divided by twelve but not more than 30% of the Universal Credit standard allowance. DWP figures show that 24% of all claimants on Universal Credit as of September 2018 had a deduction above 20% of their standard allowance and 39% were paying over 10%.⁴⁶

Research by the Trussell Trust⁴⁷ found that current Government support during the wait is often not enough to mitigate the impact of the minimum five-week wait. This research found that Advance Payments left claimants deciding between hardship now or later and that repaying Advance Payments pushed many claimants into hardship well beyond the initial claim period particularly if they are paying off other loans. Many claimants were still struggling with debt accumulated during the wait more than six months later. DWP figures show that in 2018, 33% of claimants were unable to repay their Advance Payment within the twelve month limit.⁴⁸

StepChange⁴⁹ research shows that repayments don't take into account people's ability to afford them and that even small deductions can have a big impact on people living on a financial knife-edge. StepChange found that even a deduction of just 5% would push nearly half their clients on benefits into a negative budget meaning they would not have enough money to cover their essential costs.

⁴⁶ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2018-11-28/196810/>

⁴⁷ #5WeeksTooLong, Why we need to end the wait for Universal Credit, The Trussell Trust, September 2019

https://www.trusselltrust.org/wp-content/uploads/sites/2/2019/09/PolicyReport_Final_ForWeb.pdf

⁴⁸ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2019-05-01/249845/>

⁴⁹ Hardship Now or Hardship Later? Universal Credit, Debt and the Five Week Wait, The Trussell Trust and StepChange, June 2019
https://www.trusselltrust.org/wp-content/uploads/sites/2/2019/09/PolicyReport_Final_ForWeb.pdf

Research by the Joseph Rowntree Foundation in Northern Ireland found that recipients of Universal Credit found it hard to recover from the financial hardship that the five-week wait caused and described ongoing difficulties linked to reduced Universal Credit payments as the Advance Payments (and often other historical debts) were repaid.⁵⁰

2.5.4 Childcare Costs

It is positive that there is a greater level of support for childcare under Universal Credit allowing working parents to claim back up to 85% of eligible childcare costs compared to 70% under the tax credits legacy benefits. However, unlike tax credits where parents can get financial support for upfront childcare costs any help with childcare through Universal Credit is paid retrospectively. This is a problem for many parents as the majority of childcare providers require payment upfront in advance. Many low-income families cannot afford to make these large payments upfront.

The process of accessing childcare support through Universal Credit has been described to the Commons Work and Pensions Committee as “*stressful*” and “*complex*” by a group of mothers.⁵¹ Gaynor Rowles, hairdresser and single mum of three, spoke to the Work and Pensions Committee about her struggle to find upfront fees for childcare for her three-year old twins while waiting on her first UC payment:

“When I first switched to Universal Credit, I was eight weeks without money, so I had to rely on my parents. Then, when I put the children into nursery, I think it was about six weeks. I had to fork out six weeks of nursery fees before then I got contributed. This is month in, month out. You never get it on time. You never, ever get your childcare on time.”⁵²

⁵⁰ Universal Credit could be a lifeline in Northern Ireland, but it must be designed with people who use it, Ruth Patrick and Mark Simpson, with UC:Us, Joseph Rowntree Foundation, June 2020 <https://www.jrf.org.uk/report/universal-credit-could-be-lifeline-northern-ireland-it-must-be-designed-people-who-use-it>

⁵¹ <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/work-and-pensions-committee/universal-credit/oral/92072.html>

⁵² Ibid

2.5.5 Single Payment and Domestic Abuse

Women's sector campaigners have often warned that domestic abuse victims are at risk from controlling partners because of the way Universal Credit payments are paid into a single shared bank account. While it is possible for women in this situation to ask for split payments many are concerned that this could be noticed by the abuser and ultimately worsen the abuse. The Work and Pensions Committee reported on Universal Credit and domestic abuse and agreed that there was a risk that single household payments could in some circumstances reduce the financial autonomy of women who were victims of abuse.⁵³

In its most recent Concluding Observations the CEDAW Committee again highlighted concerns that the payment of Universal Credit into a single bank account risks depriving women in abusive relationships access to money and traps them in situations of poverty and violence.⁵⁴

Locally concerns about the single payment were raised by the women's sector and lobbying on this issue resulted in proposals to do things differently in Northern Ireland. The then Minister for Social Development, Mervyn Storey proposed that there would be no default position of a single payment paid in full into a single bank account. He secured a number of payment flexibilities under Universal Credit for claimants in Northern Ireland including that split payments (paid into separate bank accounts) would be possible between parties in a household.

However, in reality this is not happening and officials have confirmed that they are proceeding on the basis that '*the DWP position is identical to the NI position with regard to split payments*' meaning that those seeking split payments have to specifically request them.

⁵³ Work and Pensions Committee, Seventeenth Report of Session 2017–19, Universal Credit and domestic abuse, HC 1166, August 2018

<https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/1166/1166.pdf>

⁵⁴ Concluding Observations on the eighth periodic report of United Kingdom of Great Britain and Northern Ireland, CEDAW/C/GBR/CO/8, March 2019 (para 52)

https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=CEDAW/C/GBR/CO/8&Lang=En

A Joint Committee report on Welfare Policy in Northern Ireland⁵⁵ stated that the *“experience of Northern Ireland shows that offering split payments of Universal Credit on request is not enough to encourage and enable uptake by those who most need it.”* It recommended that Government evaluate the implementation of split payments in Scotland to assess what model would work best in the rest of the UK and that DfC should *“work with claimant support organisations to advertise the option to receive split payments more widely.”*⁵⁶

The women’s movement in Northern Ireland continues to lobby that split Universal Credit payments should be the default option. The Northern Ireland Human Rights Commission (NIHRC) also recently recommended this position in their submission to the CEDAW Committee: *“make split Universal Credit payments the primary option and ensure there is awareness of this option and it is practically available.”*⁵⁷

2.5.6 Treatment of Maternity Allowance under Universal Credit

Unlike the tax credits system Maternity Allowance is taken into account in full for Universal Credit. It is classed as income rather than earnings and the full payment is taken into account. This specifically affects women who do not qualify for Statutory Maternity Pay (SMP), perhaps because they were self-employed or had not worked for their employer long enough, and therefore had to claim Maternity Allowance.

The result of this is that the amount a woman may receive from Maternity Allowance may be higher than her maximum Universal Credit meaning that she would not be entitled to any Universal Credit. Without entitlement to Universal Credit she would not qualify for the £500 Sure Start Maternity Grant which is paid to low income parents in receipt of means-tested benefits to help them buy things for their first baby. This can leave low-income women on Maternity Allowance who claim Universal Credit up to

⁵⁵ First Joint Report of The Work and Pensions and the Northern Ireland Affairs Committees, HC2100, September 2019

<https://publications.parliament.uk/pa/cm201719/cmselect/cmniaf/2100/2100.pdf>

⁵⁶ Ibid

⁵⁷ Submission to the United Nations Committee on the Elimination of Discrimination against Women, NIHRC, January 2019

http://www.nihrc.org/uploads/publications/NIHRC_CEDAW_Shadow_Report-FINAL.pdf

£550 per month worse off – a differential of £5,000 over 39 weeks of maternity leave – compared to women in the same circumstances who qualify for SMP.

This issue was highlighted in a case study provided to the Women's Regional Consortium by Community Advice Causeway for our research into the impact of austerity and welfare reform.

Case Study – Community Advice Causeway

Our client was not entitled to SMP because she had not worked for her employer long enough. She therefore had to claim Maternity Allowance. She claimed Universal Credit but was not entitled as her Maternity Allowance was taken into consideration in full.

If this client had been able to claim Tax Credits she would have been entitled to £63 per week in Tax Credits as Maternity Allowance is completely disregarded for Tax Credits. As she had no entitlement to Universal Credit she lost out on the £500 Sure Start Maternity Grant she would have received if she had been able to claim Tax Credits.

Maternity Action are currently campaigning on this issue and a cross-party group of MP's has tabled an Early Day Motion⁵⁸ in support of their work on the unfair treatment of Maternity Allowance in the calculation of Universal Credit awards.

In October 2019 CPAG issued judicial review proceedings challenging the treatment of Maternity Allowance under Universal Credit.⁵⁹ The case is being heard by the High Court in June 2020. CPAG is acting on behalf of a single mother who changed jobs shortly after finding out she was pregnant in order that she had more predictable hours and better career prospects. She stopped work a month before her daughter was born but as she had not worked for her employer for long enough she did not meet the qualifying conditions for SMP. She therefore made a claim for Maternity Allowance but was unable to get by on the amount she received on Maternity Allowance and

⁵⁸ <https://edm.parliament.uk/early-day-motion/56927/universal-credit-maternity-allowance-smp>

⁵⁹ Moore and Others v Secretary of State for Work and Pensions CO/4081/2019

made a claim for Universal Credit. However, her Maternity Allowance was treated as unearned income and she was not eligible for any Universal Credit. If she had been entitled to SMP she would have been better off by £419.19 per month.

This issue is likely to affect many pregnant women including women who are sick during pregnancy and whose income falls below the lower earnings limit (meaning they have to claim Maternity Allowance instead of SMP), women on zero hours contracts and in seasonal work who have not earned enough and all self-employed women who have no option to claim Maternity Allowance as they are not entitled to SMP.

2.5.7 Universal Credit Assessment Periods

Universal Credit assessment periods run for a calendar month starting with the date Universal Credit is awarded. At the end of each month claimants' circumstances and income are assessed to determine entitlement to Universal Credit. The fact that it is assessed monthly has proved difficult for some people who are paid weekly and for those whose pay fluctuates throughout the month.

It also causes problems where a claimant's monthly payday is on or close to the first day of their assessment period. If they are paid a day or two early in some months (perhaps because their normal payday is on a weekend or bank holiday) then they are recorded as having two paydays in the one assessment period (dramatically reducing their award) and none in the one after.

A judicial review was brought by the Child Poverty Action Group (CPAG) and solicitors Leigh Day⁶⁰ on behalf of four lone parents who found themselves in this situation. These mothers lost hundreds of pounds each year and were subject to large variations in their Universal Credit awards because of the dates on which their paydays and Universal Credit assessment periods happened to fall. In addition to creating fluctuating Universal Credit awards when the mothers received two pay cheques in one assessment period they lost the benefit of one month's work allowance (worth hundreds of pounds each year).

⁶⁰ R (Johnson, Woods, Barrett and Stewart) v SSWP [2019] EWHC 23 (Admin)

The DWP had refused to adjust the mother's assessment periods or to attribute monthly wages paid early to the actual assessment period in which they were earned to enable them to avoid varying awards and financial losses.

One of the women, Danielle Johnson, had claimed that the payment system was irrational and also that the system is discriminatory because it disproportionately affects single parents, who are mainly female.⁶¹

In January 2019 the High Court found for the claimants and ruled that the way the DWP has been assessing income in these situations was unlawful. The judges acknowledged that the DWP's interpretation had caused "*severe cash flow problems for the claimants living as they do on low incomes with little or no savings.*"⁶² The High Court rejected the DWP's application for permission to appeal the decision. The DWP subsequently received permission to appeal from the Court of Appeal and a hearing was held in May 2020 via video link.

In June 2020 three judges at the Court of Appeal unanimously dismissed the Government's appeal and ruled that the Secretary of State for Work and Pensions has acted "*irrationally*" and "*unlawfully*" by making Universal Credit Regulations which fail to take account that the date monthly salaries are paid can vary because of weekends and bank holidays.⁶³ The judgment requires DWP to make adjustments to the way that the Universal Credit system assesses earnings when claimants' regular monthly pay dates fall close to the end of their assessment period, so as to avoid situations where they have two paydays in one assessment period.

2.5.8 Transitional Protection

Transitional Protection is an extra 'transitional' amount which tops up Universal Credit awards so that claimants are not worse off when they move onto Universal Credit. Transitional protection ensures that claimants will not be worse off as a result of the 'managed migration' from their previous benefits to Universal Credit. However, the

⁶¹ <https://www.leighday.co.uk/News/News-2018/November-2018/%E2%80%8BLegal-challenge-against-irrational-Universal-Cred>

⁶² <https://www.judiciary.uk/wp-content/uploads/2019/01/johnson-and-others-judgment-final.pdf>

⁶³ <https://www.bailii.org/ew/cases/EWCA/Civ/2020/778.html>

onus is on claimants to make a fresh claim for Universal Credit. Failure to do this within the tight specified timeframes will result in the legacy claim being terminated. If this happens the claimant will have to apply for Universal Credit without the benefit of Transitional Protection. The Welfare Reform Group has stated their concerns about the risk of claimants failing to successfully navigate the process for making a new Universal Credit claim.⁶⁴

Transitional Protection does not apply to 'natural migration' to Universal Credit, for example, as a result of a new claim or a change of circumstances. Claimants who naturally migrate to Universal Credit will not receive any financial support to compensate for any drop in their entitlement which could result in a significant drop in monthly income. The Welfare Reform Group have raised concerns about a number of claimants who have naturally migrated to Universal Credit inappropriately.⁶⁵ There have been examples of claimants prematurely claiming Universal Credit on advice from frontline staff in Jobs and Benefits Offices and in response to advertisements in the local press about Universal Credit. Once such a claimant moves to Universal Credit they not only lose out on transitional protection but they are also not allowed to return to their previous legacy benefits.

A test case on the application of Universal Credit transitional provisions was brought by CPAG⁶⁶ on behalf of two disabled households (a single mother and her disabled child and a woman with mobility difficulties who lives alone). The case challenged the lack of protection against cash losses for claimants who are on Universal Credit only because of an incorrect decision by the DWP ending their legacy benefits. The case also challenged the fact that these claimants are then unable to return to their previous benefits after successfully challenging the incorrect decision even if they are financially worse off on Universal Credit.

⁶⁴ Universal Credit: protecting claimants through the migration process, Law Centre NI, November 2018

https://www.nicva.org/sites/default/files/d7content/attachments-articles/wrg_recommendations_on_uc_managed_migration_nov2018.pdf

⁶⁵ Ibid

⁶⁶ <https://cpag.org.uk/news-blogs/news-listings/households-worse-universal-credit-win-court-appeal-test-case>

In March 2019 the High Court rejected CPAG's claim that the two households had suffered unlawful discrimination. In May 2020 the Court of Appeal overturned that decision.⁶⁷ The court decided there was no justification for treating the two households differently from other claimants who remain on legacy benefits and who will in the future move to Universal Credit through managed migration and therefore have transitional protection against income drops.

This result means that depending on what remedy the DWP chooses the two households and many others like them subject to wrongful decisions by the DWP will be able to return to their previous benefits or have their Universal Credit awards topped up to the level of their previous benefits.

2.5.9 Accessibility and Digital Divide

One of the aims of Universal Credit was to simplify the current benefits system. The rolling together of six benefits into one does go some way towards making the system less complex however the number of different personal circumstances of claimants that the system must cope with means that it must always be, by nature, complicated. Administrative complexity inherent in the calculation and distribution of Universal Credit awards is likely to remain high given the scale of welfare reforms.⁶⁸

Since 2010, government policy has assumed the majority of consumer interactions with government services will be carried out online. This has been the case for the introduction of Universal Credit which is primarily a digital service. Claimants must register and manage their entire claim online. The online nature of Universal Credit means that access to the internet and IT literacy are important elements in the accessibility of the benefit. The online claims process is likely to make it more difficult for a range of citizens to claim their entitlements. For example, widespread literacy difficulties, learning disabilities such as dyslexia and language issues, combined with patchy online access, present very real challenges.⁶⁹

⁶⁷ [https://www.bailii.org/cgi-bin/format.cgi?doc=/ew/cases/EWCA/Civ/2020/618.html&query=\(TD.\)+AND+\(AR\)+AND+\(Reynolds\)](https://www.bailii.org/cgi-bin/format.cgi?doc=/ew/cases/EWCA/Civ/2020/618.html&query=(TD.)+AND+(AR)+AND+(Reynolds))

⁶⁸ Universal Credit, 'Positive Citizenship', and the Working Poor: Squaring the Eternal Circle? Philip M. Larkin, *The Modern Law Review*, January 2018
<https://doi.org/10.1111/1468-2230.12318>

⁶⁹ Universal Credit, ubiquitous conditionality and its implications for social citizenship, Peter Dwyer and Sharon Wright, *Journal of Poverty and Social Justice*, Volume 22, Number 1, February 2014

Figures show that 6% of premises (both residential and business) in Northern Ireland are unable to get decent broadband and almost one in five rural homes can't get a decent broadband service.⁷⁰ Northern Ireland remains the lowest of the UK regions in terms of recent internet use (adults who have used the internet within the last three months) at 87%.⁷¹ The proportion of Housing Executive households with internet access was 23% lower than the 2016/17 Northern Ireland average. Rural tenants have lower access to the internet from home (64%) compared with 75% of tenants in urban areas.⁷² In addition there are issues with cost with some people being unable to afford the extra costs associated with internet use.

The provision of internet access is not enough on its own and many people need ongoing support to get online and to use digital services. A baseline survey conducted by the DfC to measure readiness for Universal Credit where claims will be made and maintained online showed that 2% of respondents use the internet less than once a month and over a quarter (27%) stated they do not use the internet at all. 44% of respondents stated that they would not be willing to make an application for a benefit or tax credit online. In addition 60% of respondents stated that they would need help or support to use the benefits and tax service online.⁷³

The results from a DWP survey in GB show that 54% of claimants were able to register their Universal Credit claim online unassisted.⁷⁴ Overall, more than four in ten (43%) claimants said they needed more support registering their claim for Universal Credit. Three in ten (31%) said they need more ongoing support with using their Universal Credit digital account.

<http://dx.doi.org/10.1332/175982714X13875305151043>

⁷⁰ Connected Nations 2019, Northern Ireland report, Ofcom, March 2020

https://www.ofcom.org.uk/data/assets/pdf_file/0027/186408/connected-nations-2019-ni-report.pdf

⁷¹ Internet users, UK: 2019, Office of National Statistics (ONS), May 2019

<https://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2019>

⁷² Welfare Reform in Northern Ireland: A Scoping Report, NIHE, November 2018

<https://www.nihe.gov.uk/getmedia/2b5db9a7-6fd8-420c-9265-da85a29d70b0/welfare-reform-ni-a-scoping-report.pdf.aspx?ext=.pdf>

⁷³ Welfare Reform (NI) Claimant Baseline Surveys, DfC, January 2019

<https://www.communities-ni.gov.uk/system/files/publications/communities/wr-claimant-baseline-surveysjan19.pdf>

⁷⁴ Universal Credit Full Service Survey, DWP, June 2018

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/714842/universal-credit-full-service-claimant-survey.pdf

Marginalised citizens are least able to make effective use of e-Government services. They are least likely to be connected, to be aware of services, or have the necessary digital literacy to make meaningful use of such services. As government services become “*digital by default*” there is growing evidence that the most marginalised are being left behind.⁷⁵ This will be problematic for many women including refugee and migrant women, for whom language and IT literacy are often major barriers, rural women, who rely more on public transport to access public services than men, older women and low-income women with limited access.

2.5.10 Increased Conditionality and Sanctions

Eligibility for Universal Credit has a more intensive conditionality regime underpinned by tougher sanctions. For the first time partners in jointly claiming couples with children and some working claimants will face mandatory work-related requirements. Universal Credit has introduced ‘in-work conditionality’ to claimants who are working and on a low income. As a result claimants could face sanctions if they do not comply with work-related requirements including searching for and applying for additional work to meet an earnings threshold (based on working 35 hours a week at the National Minimum Wage). This conditionality is likely to impact more on women who are more likely to have caring responsibilities for children and be in part-time work.

Universal Credit has also introduced extended conditionality for lone parents, the vast majority of whom are women (91% of lone parent households in Northern Ireland). As soon as a lone parent’s youngest child turns one they will be expected to attend work-focused interviews at a Jobcentre. When the child turns two they will be required to take active steps to prepare for work and once the child is three they will be expected to spend 16 hours per week in paid work or looking for work. Once the child reaches age five this will increase to 25 hours per week and from age thirteen to 35 hours per week.

⁷⁵ Leaving No One Behind in a Digital World, Hernandez and Roberts, K4D Emerging Issues Report, Institute of Development Studies, November 2018
https://assets.publishing.service.gov.uk/media/5c178371ed915d0b8a31a404/Emerging_Issues_LNO_BDW_final.pdf#page16

Work-related requirements are a cornerstone of Universal Credit and claimants can be sanctioned for failing to meet their 'claimant commitment'. More people are being sanctioned under Universal Credit than in the previous benefits system. However the rate of sanctioning is lower in Northern Ireland than in GB reflecting a commitment from the DfC that sanctions are "*an option of last resort that has the potential to cause hardship*".⁷⁶

2.6 International Concerns

In addition to nationally raised concerns about the benefit, its structure and its impact on claimants, concerns about various aspects of the benefit and welfare reform/austerity measures in general have been raised at international levels.

The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) Committee has raised concerns about austerity measures and about Universal Credit in terms of the single payment. Following its recent examination of the UK, the CEDAW Committee raised concerns about the impact of austerity measures on women.⁷⁷ The Committee is concerned about the "*disproportionately negative impact of austerity measures on women, who constitute the vast majority of single parents and are more likely to be engaged in informal, temporary or precarious employment.*" The Committee again highlighted its concerns that "*the payment of the universal credit.....into a single bank account.....risks depriving women in abusive relationships of the ability to gain access to necessary funds and trapping them in situations of poverty and violence.*"⁷⁸

In a recent fact-finding visit to the UK the UN Special Rapporteur on Extreme Poverty said that UK austerity had inflicted "*great misery*" on citizens. In relation to its impact on women he said: "*If you got a group of misogynists in a room and said how can we*

⁷⁶ Letter from Sharon Russell, Department for Communities, to the Participation and the Practice of Rights Project, February 2018

<http://bit.ly/2ygd8Zd>

⁷⁷ Concluding Observations on the eighth periodic report of United Kingdom of Great Britain and Northern Ireland, CEDAW/C/GBR/CO/8, March 2019 (para 17)

https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=CEDAW/C/GBR/CO/8%20&Lang=En

⁷⁸ Ibid, para 52

make this system work for men and not for women, they would not have come up with too many ideas that are not already in place.”⁷⁹

On Universal Credit he said *“In addition to all of the negative publicity about Universal Credit in the UK media and among politicians of all parties, I have heard countless stories from people who told me of the hardships they have suffered under Universal Credit. When asked about these problems, Government ministers were almost entirely dismissive...”⁸⁰* Professor Alston recommended: *“the five week delay in receiving benefits under Universal Credit should be eliminated, separate payments should be made to different household members, and weekly or fortnightly payments should be facilitated.”⁸¹*

In its latest report on Universal Credit⁸² the National Audit Office has concluded that while the DWP has now got a better grip of the programme in many areas they *“doubt it will ever be possible for the Department to measure whether the economic goal of increasing employment has been achieved. This, the extended timescales and the cost of running Universal Credit compared to the benefits it replaces cause us to conclude that the project is not value for money now, and that its future value for money is unproven.”*

2.7 Universal Credit and Debt

Polling by StepChange indicates that a quarter of all people in Britain who receive Universal Credit are in problem debt. This figure is three times the rate in the general population (8%) and 11% more than those receiving legacy benefits (14%).⁸³ Two thirds of StepChange clients say being on Universal Credit has made budgeting and financial management more difficult.

⁷⁹ <https://www.theguardian.com/society/2018/nov/16/uk-austerity-has-inflicted-great-misery-on-citizensun-says>

⁸⁰ Statement on Visit to the United Kingdom, by Professor Philip Alston, United Nations Special Rapporteur on extreme poverty and human rights, November 2018
https://www.ohchr.org/Documents/Issues/Poverty/EOM_GB_16Nov2018.pdf

⁸¹ Ibid

⁸² Rolling out Universal Credit, National Audit Office, June 2018
<https://www.nao.org.uk/wp-content/uploads/2018/06/Rolling-out-Universal-Credit.pdf>

⁸³ Problem debt and the social security system, StepChange, January 2020
<https://www.stepchange.org/Portals/0/assets/pdf/social-security-mini-brief-report.pdf>

Citizens Advice have also reported that their Universal Credit clients are more likely to have debt problems than those on legacy benefits.⁸⁴ A quarter (26%) of the people they helped with Universal Credit also needed help with debt, compared to 19% for legacy benefits. Many of these claimants are also struggling to pay off their debts. More than 2 in 5 (41%) of their debt clients on Universal Credit have no spare income to pay creditors, compared to a third (33%) on legacy benefits.

Borrowing and debt are far from gender neutral. Women are more likely than men to claim social security benefits, be in low-paid, part-time and insecure work and more likely to be providing care for children/other family members. This keeps their incomes lower leaving them more vulnerable to income shocks and poverty and more likely to have to rely on borrowing to make ends meet. This is particularly the case for single parents. StepChange report that single parents made up 23% of their debt clients in 2018 yet represent only 6% of the UK population and 85% of their single parent clients are female.⁸⁵ In Northern Ireland Christians Against Poverty (CAP) report that 27% of their clients are single parents (25% of which are single mothers).⁸⁶

Joseph Rowntree research on Universal Credit in Northern Ireland⁸⁷ showed that debt was a constant feature for many of the participants: *“A ‘domino effect’ was often experienced, debt led to more debt and aggravated mental health problems as people struggled to meet essential needs.”*

The BBC recently reported that in Northern Ireland an error over Universal Credit payments has left over 650 Northern Ireland Housing Executive tenants with rent arrears totalling £296,000.⁸⁸ The error meant that money to cover rent payments was

⁸⁴ Universal Credit and debt, Citizens Advice, September 2017

<https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Universal%20Credit%20and%20Debt%20-%20final.pdf>

⁸⁵ Life Happens, Understanding financial resilience in a world of uncertainty, StepChange, July 2019 <https://www.stepchange.org/Portals/0/assets/pdf/life-happens-safety-nets-stepchange-debt-charity.pdf>

⁸⁶ Client report, Changing perceptions, Northern Ireland edition, Christians Against Poverty, April 2019 <https://capuk.org/fileservers/downloads/general/Client-Report-2019-NI-WebDP.pdf>

⁸⁷ Universal Credit could be a lifeline in Northern Ireland, but it must be designed with people who use it, Ruth Patrick and Mark Simpson, with UC:Us, Joseph Rowntree Foundation, June 2020 <https://www.jrf.org.uk/report/universal-credit-could-be-lifeline-northern-ireland-it-must-be-designed-people-who-use-it>

⁸⁸ https://www.bbc.co.uk/news/uk-northern-ireland-53785836?intlink_from_url=&link_location=live-reporting-story

sent to the claimants rather than directly to the landlord. As this was not clear from their Universal Credit statement many of the claimants did not realise and spent the money leaving them with rent arrears and significant debts. Statistics from the DfC also suggest that this could be a significant issue for private tenants also (47% of the 25,280 households receiving Universal Credit to help with their housing costs in the private rented sector are having these payments made directly to them and not to their landlord).⁸⁹

2.8 Universal Credit and Mental Health

Financial difficulties can cause or exacerbate mental health issues and strain relationships and support networks. Research has shown a connection between Universal Credit and mental health problems.

A study published in the Lancet medical journal⁹⁰ showed a link between Universal Credit and an increase in mental health problems among vulnerable benefit claimants. The analysis suggests that the introduction of Universal Credit has led to an increase in psychological distress of 6.6% among unemployed people on Universal Credit compared to the social security benefits which it replaced. *“In total, an estimated 63,674 unemployed Universal Credit claimants, or 95% of participants in the study, showed signs of worsening mental health – a third of whom (21,760) were suffering with medical depression.”*⁹¹ The study warned that this number is likely to continue to rise as the roll-out is finally completed.

A study by the Trussell Trust has revealed the detrimental impact the Universal Credit five-week wait is having on people’s mental health. Many people reported

⁸⁹ Universal Credit: Northern Ireland, Data to May 2020, NISRA & DfC, August 2020
<https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-ni-uc-stats-may-2020.pdf>

⁹⁰ Effects on mental health of a UK welfare reform, Universal Credit: a longitudinal controlled study, Sophie Wickham, Lee Bentley, Tanith Rose, Margaret Whitehead, David Taylor-Robinson, Ben Barr, The Lancet, March 2020
<https://www.thelancet.com/action/showPdf?pii=S2468-2667%2820%2930026-8>

⁹¹ Ibid

experiencing high levels of anxiety, especially as they did not know how much they would receive and when. Some even reported feeling suicidal.⁹²

Members of the Public Accounts Committee heard in July 2018 that claimants were facing “*considerable hardship and considerable deterioration in their mental health*” because of Universal Credit. Sophie Corlett, Director of External Relations for mental health charity Mind told Committee members that claimants “*struggle with the online application, they struggle with the conditionality that comes while you wait for your work capability assessment (WCA), they struggle with waiting for their first payment and if they are able to get an advance payment they struggle to pay that back.*”⁹³

A report by the Scottish Association for Mental Health (SAMH)⁹⁴ found that Universal Credit is causing hardship and emotional distress for people with mental health problems. The report detailed how good and fair employment can help a person’s mental health and moves to simplify the social security system are welcomed. However, it showed that these aims have been undermined through the structure and delivery of Universal Credit and has instead added new barriers for people with mental health problems. SAMH warned that work coaches who make decisions over eligibility are not trained in mental health or disability, applications are digital by default which often acts to exclude those who need support and of the hardship caused by the five-week wait.

The Money and Mental Health Policy Institute found that nearly half of working age people receiving benefits have a mental health problem.⁹⁵ Mental health problems can make navigating the benefits system harder sometimes with serious consequences. Many people struggle to navigate the benefits system, including Universal Credit, because of common symptoms such as reduced concentration, increased impulsivity and memory problems. Problems affect all parts of the claiming

⁹² #5WeeksTooLong, Why we need to end the wait for Universal Credit, The Trussell Trust, September 2019 https://www.trusselltrust.org/wp-content/uploads/sites/2/2019/09/PolicyReport_Final_ForWeb.pdf

⁹³ <https://www.mind.org.uk/news-campaigns/campaigns/benefits/universal-credit/>

⁹⁴ Universal Credit and Mental Health: Recommendations for Change, SAMH, March 2019 https://www.samh.org.uk/documents/ItWasAConfusionReport_ONLINE_VERSION.pdf

⁹⁵ The Benefits Assault Course, Money and Mental Health Policy Institute, March 2019 <https://www.moneyandmentalhealth.org/wp-content/uploads/2019/03/MMH-The-Benefits-Assault-Course-UPDATED.pdf>

process, from initial applications through providing evidence and attending assessments, to managing payments and challenging decisions. Claimant's mental health difficulties are being compounded by overly complicated and bureaucratic processes which are causing significant psychological distress for many people already struggling with their mental health.

2.9 Universal Credit and Coronavirus

The impact of the Coronavirus and lockdown measures have been severe and wide ranging. The pandemic has brought focus on the experiences of families and children in poverty. Research by the Joseph Rowntree Foundation and Save the Children⁹⁶ shows that the crisis is causing seven in ten families with children claiming Universal Credit or Child Tax Credit to cut back on essentials, six in ten to borrow money and over five in ten to be behind on rent or other essential bills.

Citizens Advice reports that in a survey of those who applied for Universal Credit as a result of the Coronavirus outbreak, more than half (53%) have faced hardship during the five-week wait for their first payment.⁹⁷ The five-week wait for Universal Credit has been described as "*a real shock for people navigating the benefits system for the first time*" by a welfare adviser in Citizens Advice in evidence to the Work & Pensions Committee.⁹⁸

A survey by Turn2US⁹⁹ on the impact of Coronavirus on UK households shows that the percentage of single parent families anticipating that they will have £1,000 or less in June is 66%, up from 54% in February. That equates to 1.2 million single parents anticipating that they will be living on £1,000 or less in June, an increase of 216,000

⁹⁶ A lifeline for our children: Strengthening the social security system for families with children during this pandemic, Briefing by Joseph Rowntree Foundation and Save the Children, June 2020
<https://www.jrf.org.uk/file/55316/download?token=zdQGDbBp&filetype=briefing>

⁹⁷ Coronavirus claimants facing further hardship in wait for Universal Credit, Citizens Advice Press Release, 10 June 2016
<https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/coronavirus-claimants-facing-further-hardship-in-wait-for-universal-credit/>

⁹⁸ Ibid

⁹⁹ Turn2US Insight Briefing: Coronavirus, Turn2US, May 2020
https://www.turn2us.org.uk/T2UWebsite/media/Documents/Communications%20documents/Insight-briefing_12_05_2020_v4.pdf

compared to February, before Covid-19 measures began. An alarming 42% of single parents are anticipating living on less than £500 per month.

Local and national statistics show steep rises in the number of Universal Credit claimants since the onset of the Coronavirus pandemic and subsequent lockdown measures (see section 2.3). As Universal Credit will be the main benefit claimed by those who have lost their jobs or who have suffered reduced incomes as a result of the pandemic it is clear that the problems with this benefit could impact on many more people in the weeks and months to come.

The Institute for Fiscal Studies has found that women were about one third more likely to work in a sector that is now shut down than men: one in six (17%) of female employees were in such sectors, compared to one in seven (13%) of male employees.¹⁰⁰ This is because women disproportionately work in retail and hospitality, two of the sectors most affected. Their analysis showed that young female workers will be hit the hardest as sectors that are shut down as a result of social distancing measures employed nearly a third (30%) of all employees under the age of 25 (25% of young men and 36% of young women). A survey by the Young Women's Trust¹⁰¹ showed that 53% of the women who responded to the survey reported being financially affected by the crisis, with 20% having already lost their job or future work because of the lockdown. This will result in a new wave of young women having to access Universal Credit for the first time and as employer support comes to an end even more women could be forced onto Universal Credit.

Before the pandemic women were already more vulnerable to poverty as they made up the majority of lone parents, those with precarious/low-paid jobs and those with caring responsibilities which limited their time for paid work. Job losses and the need to provide increasing levels of unpaid care as a result of the pandemic is likely to increase poverty and dependence on social security benefits especially for women. In

¹⁰⁰ Sector shutdowns during the coronavirus crisis: which workers are most exposed?, Institute for Fiscal Studies, Briefing Note, April 2020
<https://www.ifs.org.uk/publications/14791>

¹⁰¹ Ignored, Undervalued and Underpaid: The Impact of Coronavirus on Young Women's Work, Finances and Wellbeing, Young Women's Trust, May 2020
https://www.youngwomenstrust.org/assets/0001/3589/Ignored_Undervalued_and_Underpaid_Report.pdf

addition, women are more likely to be working in the sectors which were closed as a result of lockdown measures including retail and hospitality. Many more will struggle once the Government's job support and temporary forbearance measures are withdrawn. This will force many of these women onto Universal Credit and potentially facing many of the problems outlined in this paper.

2.10 Universal Credit and Women

It has been argued that Universal Credit discriminates against women by design¹⁰² and there are a number of key design features of the benefit which are likely to have disproportionate impacts on women.

Universal Credit Single Payment

One of the central issues around how Universal Credit impacts unfairly on women is the way it is paid. For couples living in the same household Universal Credit is paid as a joint payment twice a month. A single payment is made into a joint account or a single account nominated by the claimant with a couple choosing which account it is paid into. It unashamedly prioritises the primary, usually male, earner at the expense of the second, usually female, earner.¹⁰³ It reinforces traditional gender roles with the notion of a male breadwinner on whom a woman caregiver is financially dependent. New research on Universal Credit and couples showed that *"many felt that a single payment harked back to a bygone era of male breadwinners, and was out of step with modern relationships in which both partners go out to work, manage their own money and contribute to the household finances."*¹⁰⁴

This arrangement assumes that there is fairness and equity between women and men in the distribution and control of household income. Research studies indicate that, in

¹⁰² Something needs saying about universal credit and women – it is discrimination by design, Alison Garnham, CPAG, 17 August 2018

<http://www.cpag.org.uk/content/something-needs-saying-about-universal-credit-and-women%E2%80%93it-discrimination-design>

¹⁰³ The Northern Ireland Economy: Women on the Edge? Bronagh Hinds, Published by WRDA, July 2011 <http://review.table59.co.uk/wrda/wp-content/uploads/2017/05/the-ni-economy-women-on-the-edgereport.pdf>

¹⁰⁴ Uncharted Territory: Universal Credit, Couples and Money, Institute for Policy Research, June 2020

<https://www.bath.ac.uk/publications/uncharted-territory-universal-credit-couples-and-money/attachments/Uncharted-Territory-Universal-Credit.pdf>

many households, this is not necessarily the case.¹⁰⁵ The single payment has raised concerns that Universal Credit will negatively impact on women's financial independence.

Concerns about the single payment in domestic violence cases have been raised by many in government and in the women's sector including the Women's Budget Group.¹⁰⁶ *"We have been warning the Government since Universal Credit was introduced in 2011 that it risks sending more money than ever straight to wallet and not to purse, undermining women's economic independence and their ability to leave abusive relationships."*¹⁰⁷ The women's sector in Northern Ireland continues to lobby on this issue (see Section 2.5.5).

Increased Conditionality

Increased conditionality within Universal Credit especially for lone parents (see Section 2.5.10) is likely to impact more on women who are more likely to have caring responsibilities for children and be in part-time work.

This increased conditionality makes many assumptions about the availability of affordable, good quality childcare, flexible work and the availability and cost of transport if work cannot be found locally. These issues can have a major impact on a woman's ability to move into employment.

Universal Credit Work Allowances

Under Universal Credit a work allowance is an amount of money a claimant is allowed to earn before their Universal Credit payment is affected. However, a work allowance is only available to the 'main wage-earner' and there is no work allowance for second earners, who are mainly women. This gives little or no incentive for second earners to enter/progress in paid work.

¹⁰⁵ Universal Credit, Women and Gender Equality: A Retrograde Step? IPR Blog, Dr Rita Griffiths, September 2018 <http://blogs.bath.ac.uk/iprblog/2018/09/19/universal-credit-women-and-gender-equality-a-retrograde-step/>

¹⁰⁶ Universal Credit & Financial Abuse, Exploring the Links, Marilyn Howard, Women's Budget Group, June 2018

<https://wbq.org.uk/wp-content/uploads/2018/09/FINAL-full-report-financial-abuse-and-uc.pdf>

¹⁰⁷ <https://wbq.org.uk/media/universal-credit-risks-increasing-womens-vulnerability-to-abuse-say-womensgroups/>

There are also issues for lone parents under Universal Credit the majority of whom are women. There is a lower work allowance for lone parents under 25 coupled with the fact that they are not entitled to the National Living Wage. This is a double hit for young mothers on low incomes. While it is to be welcomed that work allowances were boosted in Budget 2018 the Resolution Foundation has called for further reforms to make Universal Credit more female friendly.¹⁰⁸ The Resolution Foundation recommends boosting single parent work allowances and introducing a second earner work allowance for couples with children.

Universal Credit and Childcare

As detailed in Section 2.5.4 it is positive that there is a greater level of help with childcare costs under Universal Credit than under Tax Credits legacy benefits. However, while the Tax Credits system helped with upfront fees, payment for childcare costs through Universal Credit is retrospective. This causes unnecessary hardship to parents on low incomes, the majority of whom are single mothers, many of whom do not have savings in order to meet the costs of these fees.

Upfront childcare costs also act as a significant barrier to work for many families, especially for single parents. Frank Field, Chair of the Work and Pensions Select Committee described the way childcare is paid as “*actively working to prevent the government achieving its aim of getting more people into work.*”¹⁰⁹

In March 2020 single mother, Nichola Salvato was granted permission to take a judicial review against the DWP as a result of the way childcare is paid under Universal Credit. Nichola argued that the provision which requires upfront payment of childcare under Universal Credit indirectly discriminates against women because it disproportionately affects single parents who are predominantly women.¹¹⁰

¹⁰⁸ Back in Credit? Universal Credit after Budget 2018, David Finch and Laura Gardiner, Resolution Foundation, November 2018

¹⁰⁹ <https://www.resolutionfoundation.org/app/uploads/2018/11/Back-in-Credit-UC-after-Budget-2018.pdf>

¹¹⁰ <https://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensionscommittee/news-parliament-2017/universal-credit-childcare-report-published-17-19/>

¹¹⁰ <https://www.leighday.co.uk/News/Press-releases-2020/March-2020/Working-mother-granted-permission-for-judicial-rev>

Nichola was working part-time but when her daughter turned 10 years old she decided to go back to full time work. The extra hours meant that she needed before and after-school childcare as well as school holiday childcare. Under Universal Credit Nichola had to meet the costs of the childcare herself and then claim them back from the DWP. Nichola was forced to go to a payday lender to find the money for the upfront fees. This left her with a high-interest debt and in constant arrears. In the end to try and reduce the costs of childcare, Nichola had to take time off work and eventually had to reduce her working hours.

The five-week wait

As has been outlined in Section 2.5.2 there have been major issues with the five-week wait for the initial payment of Universal Credit.

Previous Women's Regional Consortium research has highlighted the impact of the five-week wait on local women. Research on the impact of austerity and welfare reform¹¹¹ showed that women who had been impacted by Universal Credit reported getting into debt and rent arrears because of the wait for their first payment and that the wait had caused them stress and hardship. There were also some examples of women waiting longer than five weeks for their first payment. Subsequent research by the Consortium on access to lending¹¹² also showed the impact of the five-week wait showing that it had caused severe financial hardship, debt and distress for the women affected.

The five-week wait is particularly dangerous for low-income families and women. *"Delays and waiting periods can particularly affect women in couples, as they are often the 'shock absorbers' of poverty, shielding their children from poverty."* ¹¹³

¹¹¹ Impact of Ongoing Austerity: Women's Perspectives, Women's Regional Consortium, March 2019 <http://www.womensregionalconsortiumni.org.uk/sites/default/files/Impact%20of%20Ongoing%20Austerity%20Women%27s%20Perspectives.pdf>

¹¹² Making Ends Meet: Women's Perspectives on Access to Lending, Women's Regional Consortium, February 2020 <http://www.womensregionalconsortiumni.org.uk/sites/default/files/Making%20Ends%20Meet%20-%20Women%27s%20Perspectives%20on%20Access%20to%20Lending.pdf>

¹¹³ Universal Credit & Financial Abuse, Exploring the Links, Marilyn Howard, Women's Budget Group, June 2018 <https://wbgroup.org.uk/wp-content/uploads/2018/09/FINAL-full-report-financial-abuse-and-uc.pdf>

Administration of the Claim

A less well known gendered consequence of Universal Credit is the administrative burden of applying for and managing the benefit. Research by the Institute for Policy Research¹¹⁴ showed that for many women in couples, the responsibility of managing Universal Credit, and the online claim, imposed “*significant, ongoing administrative and compliance burdens.*” The research described Universal Credit as “*not just ‘like work’; it was work, and often onerous and stressful.*”

Combined payment

As previously stated Universal Credit rolls up six existing benefits into one. This removes some of the flexibility that claimants used to have when they received different benefit payments on different days allowing for easier budgeting. Universal Credit has been described as “*one basket, with all the eggs in it.*”¹¹⁵ This makes people vulnerable if anything goes wrong. “*If there is only one system, and that system lets you down, then hardship will inevitably result, unless families and others are able to help pick up the pieces.*”¹¹⁶

Clearly this has implications for budgeting and since women are more likely to manage the household budget in low-income families there are concerns that this will have a disproportionate impact on women. If there is pressure on household budgets women are more likely to go without as the ‘shock absorbers’ of poverty in households.

Two child limit

The two child limit applies to Universal Credit. This limits the child element to two children meaning that any subsequent children born after April 2017 would not be entitled to the child element subject to limited exceptions. It is likely that Northern Ireland will feel a greater impact from this policy given the larger average family size compared to the rest of the UK. With twice as many large poor families as Scotland

¹¹⁴ Uncharted Territory: Universal Credit, Couples and Money, Institute for Policy Research, June 2020

<https://www.bath.ac.uk/publications/uncharted-territory-universal-credit-couples-and-money/attachments/Uncharted-Territory-Universal-Credit.pdf>

¹¹⁵ Policy Briefing: Universal Credit – is it worth it?, Jane Millar, University of Bath, Discover Society, Issue 16, January 2015

<https://discoversociety.org/2015/01/03/policy-briefing-universal-credit-is-it-worth-it/>

¹¹⁶ Ibid

and the South West, Northern Ireland is projected to see a larger increase in poverty as a result of this policy.¹¹⁷ It is also worth noting that the two-child limit was not included in the mitigations package for Northern Ireland therefore there is no protection available from this aspect of welfare reform.

The two-child policy will undoubtedly affect women more than men. The vast majority of Child Tax Credit payments are paid to the female parent (be that a female lone parent or a woman within a couple).¹¹⁸ The Women's Policy Group Northern Ireland raised the impact of this policy on women in their opposition paper on the two child tax credit cap and rape clause stating that the cap will mostly affect women and was discriminatory on the grounds of sex or gender.¹¹⁹

Benefit Cap

The Benefit Cap also applies to Universal Credit. It places an upper limit on the amount of benefit a household can receive. The Benefit Cap has been fully mitigated in Northern Ireland since its introduction in May 2016. However, this mitigation is only available to families with children provided *"they were receiving a relevant welfare benefit when the Benefit Cap was introduced."*¹²⁰ This means that anyone who is newly in receipt of benefits since the Benefit Cap was introduced will be subject to this limit.

The number of households capped rose to 1,890 at May 2020.¹²¹ 930 households had Housing Benefit capped and 960 households had Universal Credit capped. The average amount capped was £50 per week. At May 2020, 23% (440) of the total capped households were couples with children while 77% (1,450) were single parent

¹¹⁷ Living standards, poverty and inequality in the UK: 2017–18 to 2021–22, Andrew Hood and Tom Waters, Institute for Fiscal Studies, November 2017

<https://www.ifs.org.uk/uploads/publications/comms/R136.pdf>

¹¹⁸ Child and Working Tax Credit Statistics: Provisional Awards, HMRC, April 2018

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/720161/CWTC_provisional_Commentary_-_main_publication.pdf

¹¹⁹ Opposing the two child tax credit cap and rape clause, Women's Policy Group Northern Ireland, May 2017

<https://www.womensaidni.org/assets/uploads/2017/05/opposing-the-two-child-cap-and-rape-clause.pdf>

¹²⁰ Review of Welfare Mitigation Schemes, Department for Communities, March 2019

<https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-review-of-welfare-mitigation-schemes-2019.pdf>

¹²¹ Benefit Cap: Northern Ireland, Data to May 2020, NISRA & DfC, August 2020

<https://www.communities-ni.gov.uk/system/files/publications/communities/benefit-cap-statistics-may-2020.pdf>

households. Given that women account for 91% of single parent households in Northern Ireland this is a highly gendered issue.

The number of Universal Credit capped households has increased significantly from March 2020 to May 2020 as a result of the impact of Coronavirus on the Universal Credit Caseload. This is happening despite the fact that those subject to the cap can do little to escape it as the actions they could take to avoid it were almost impossible, for example, getting a new job or moving to a cheaper house.

The experiences of a number of local women with Universal Credit have been collected in this research and these lived experiences are outlined in the next chapter.

3. Women's views on Universal Credit and the impact of claiming the benefit on their lives

3.1 Introduction

This section captures and analyses the views of women across Northern Ireland who engaged in the project's focus groups (these were limited due to Coronavirus restrictions), individual telephone interviews and in online questionnaires on their experiences of claiming Universal Credit and the impact of living on the benefit.

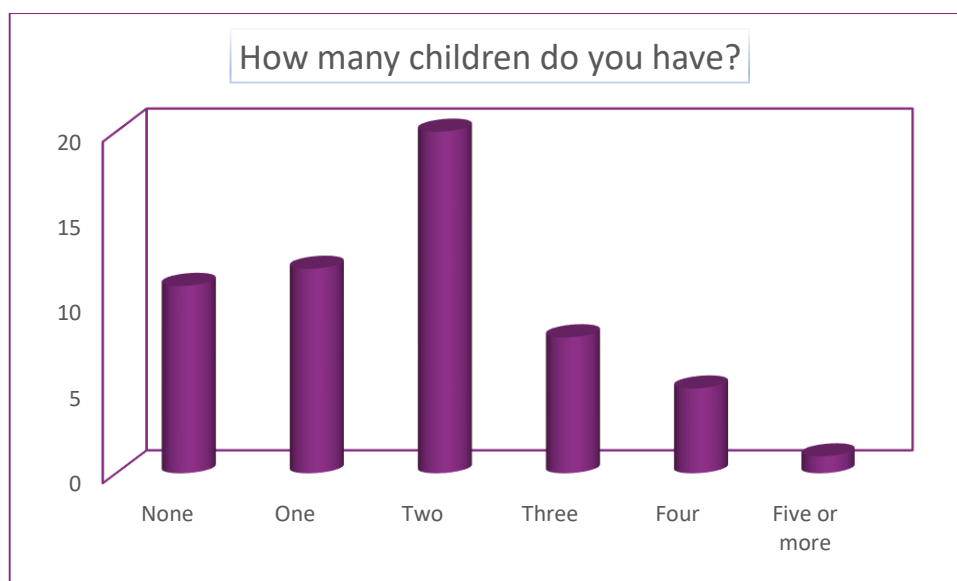
The results from the online questionnaires are illustrated below and interspersed through this section are quotes and case studies from the individual women who took part in focus groups, interviews and questionnaires. These highlight the lived experience of women with Universal Credit and its impact on their everyday lives.

3.2 Reported effects

A total of 57 women completed online questionnaires on their experience with the application process for Universal Credit and the impact of living on the benefit particularly around the initial five-week wait. Questions focused on the reasons for applying for Universal Credit, their experiences of the application and initial five-week wait as well as any help they received and details about their own feelings about the process.

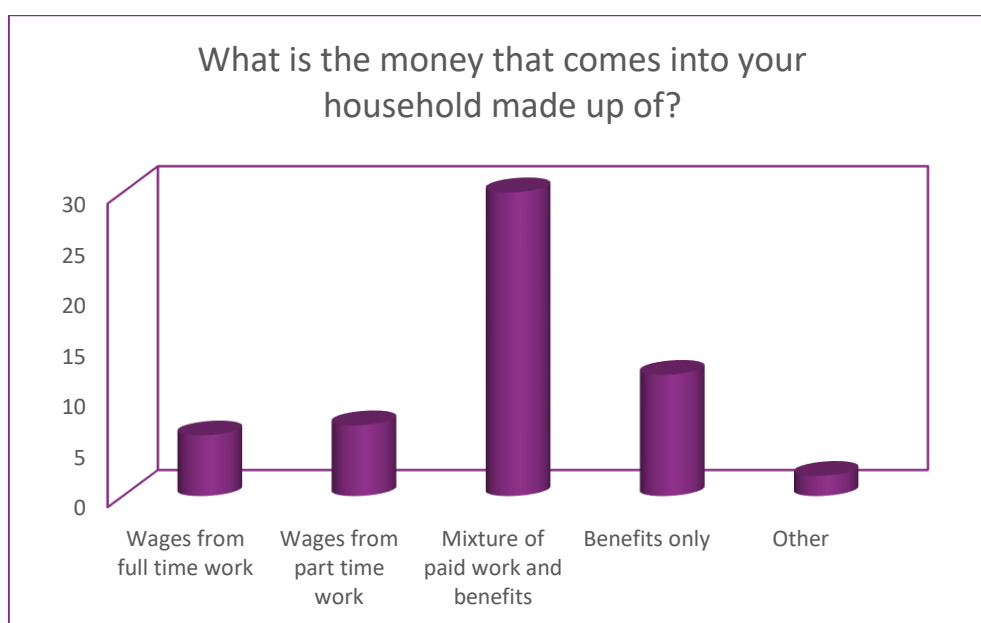
Family Circumstances

The majority of the women who responded to the questionnaire had children (81%). 60% of the women who responded to the questionnaire did not have a partner.



What is the money that comes into your household made up of?

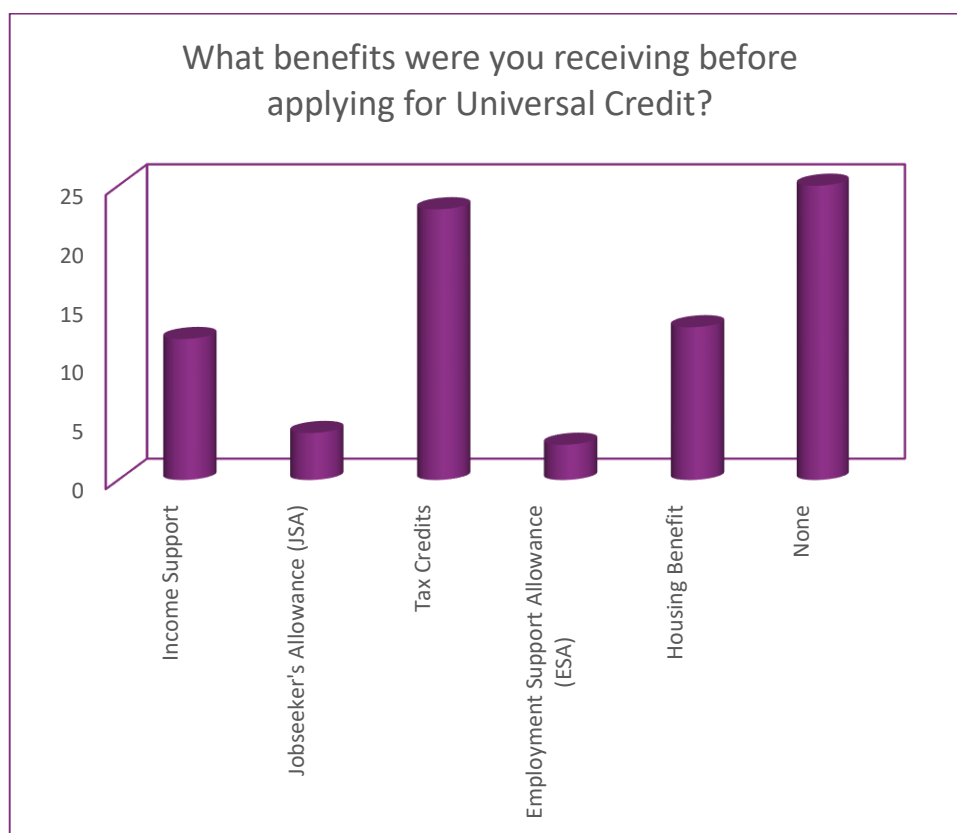
The majority of the women reported that the money that comes into their household is made up of a mix of paid work and benefits (53%), with a further 21% relying on benefits only. Most of the rest of the women reported that wages from part-time work (12%) or full-time work (11%) made up the money coming into their household.



What benefits were you receiving before applying for Universal Credit?

A significant proportion of the women who responded (31%) were not receiving any of the legacy benefits before applying for Universal Credit. Of those who had been in

receipt of benefits before applying most were in receipt of Tax Credits (29%), Housing Benefit (16%) and Income Support (15%).



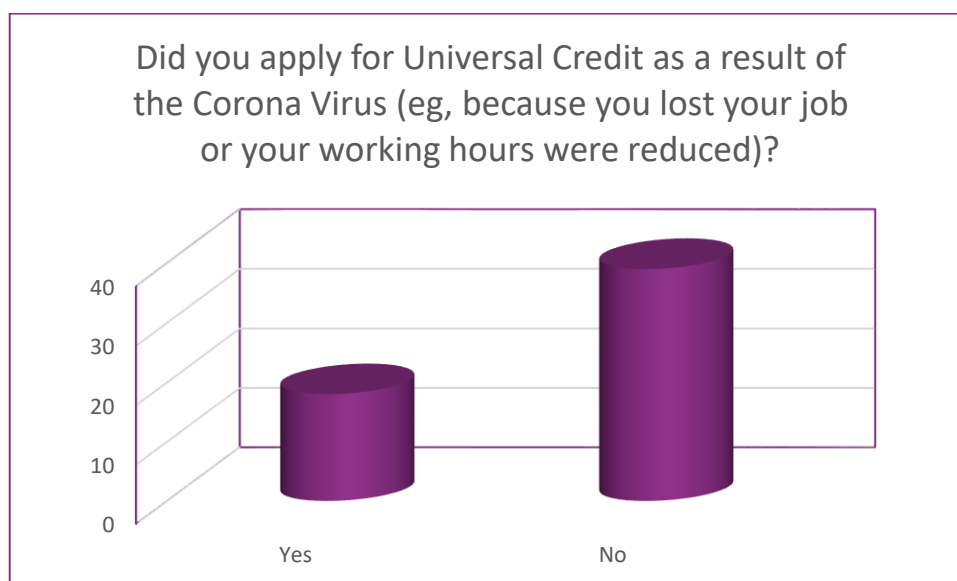
Did you apply for Universal Credit as a result of the Coronavirus pandemic?

Most of the women who responded to the questionnaire (68%) had not applied for Universal Credit as a result of the Coronavirus pandemic. Around a third of the women had applied for Universal Credit as a result of the pandemic.

For those women who had applied for Universal Credit as a result of the Coronavirus pandemic two-thirds reported the reason for applying was due to job loss, the remainder reporting no opportunities to get work or reductions in hours of work.

This raised another issue for women, particularly lone parents, about how to meet the increased conditionality requirements of Universal Credit (see section 2.5.10). The pandemic has severely restricted access to childcare and therefore many women without childcare will struggle to work search to meet the conditionality requirements

and may be unable to take up work until they can access affordable childcare and/or the schools reopen fully.



“I had to come out of work after my maternity leave ended due to my employer not being able to offer me hours that suited my childcare’s opening hours. Then Coronavirus hit and I have struggled to get back out to work since.”

- *Questionnaire Respondent*

“I had to apply for Universal Credit because of reduced working hours and not on PAYE so no access to Furlough.”

- *Questionnaire Respondent*

“My job stopped, and I couldn't be furloughed.”

- *Questionnaire Respondent*

“My work was all freelance in venues but it has all been cancelled until March 2021, because of Coronavirus.”

- *Questionnaire Respondent*

"I couldn't find a job after the last one ended which normally I could so I've had to apply for Universal Credit."

- *Questionnaire Respondent*

"My main concern is that I have no childcare but I am expected to job search. I am unable to work until my daughter returns to school in September."

- *Questionnaire Respondent*

Why did you need to apply for Universal Credit)?

The most common reason given by the women on the need to apply for Universal Credit was the birth of a new baby (28%). Other reasons included a change in relationship status whether starting a new relationship or due to relationship breakdown (18%), a loss of job (8%) or change of job (8%) and caring responsibilities (8%). The remainder included changing benefits/refusal of other benefits, sickness, low income and moving on to Universal Credit because their youngest child had turned five years old.

"I am a lone parent, there is a lack of suitable jobs in the area, expensive childcare and I have mental health issues. I would struggle financially if working full-time with childcare costs, rent and regular expenses so it isn't really a viable option. I was moved from Income Support to Universal Credit when my youngest child turned five."

- *Questionnaire Respondent*

"Twins born and unable to return to work due to existing illness being made worse with pregnancy and birth."

- *Questionnaire Respondent*

"I had a baby and needed to reduce my hours at work."

- *Questionnaire Respondent*

“It’s degrading. I’ve worked my entire life and due to illness I had to go on Universal Credit. I’m hoping after I receive my surgery I can return to work as I hate having to wait every month to see how much I will be paid. It’s impossible to budget as you only find out a few days before payday what you’ll get and in some months I’ve received nothing. I’m in arrears with my rent. It’s very stressful.”

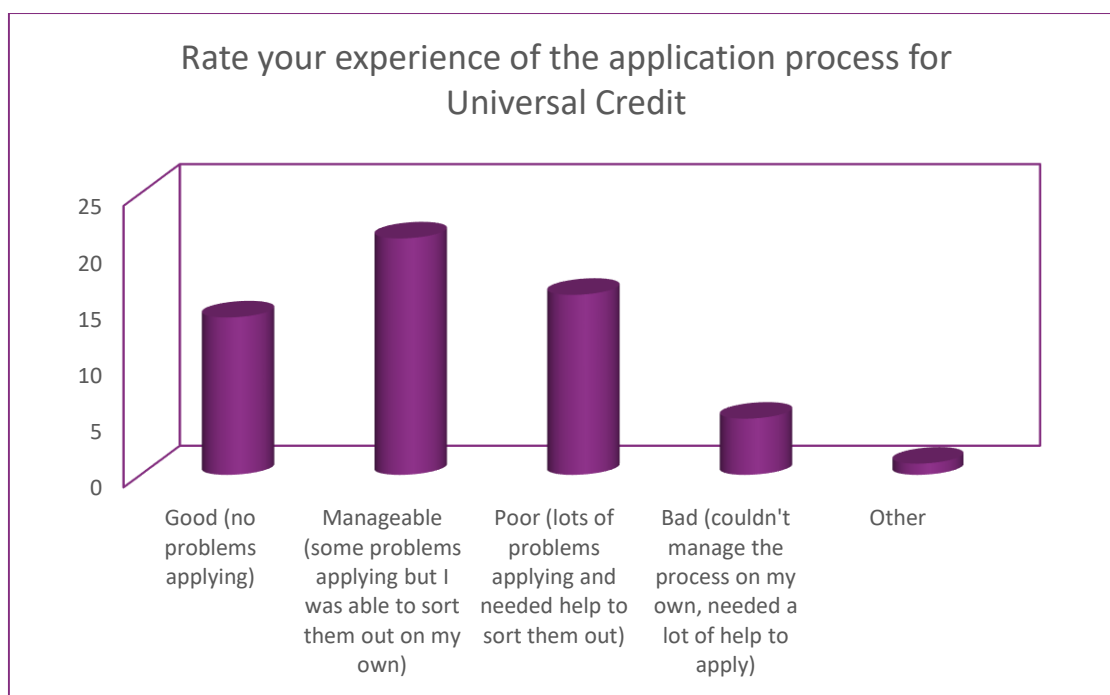
- *Questionnaire Respondent*

“My son turned 5 and went to school so I had to go on Universal Credit. I found the digital part fine I went into the Jobs and Benefits Office and they helped me. If you have a query on the journal they normally get back quite quick.”

- *Focus Group Attendee*

Rate your experience of the application process for Universal Credit?

A quarter of the women reported no problems applying for Universal Credit. A further 37% reported that they had experienced some problems with the application process but were able to sort the problems out themselves. Worryingly a sizeable proportion (28%) reported experiencing lots of problems with the process and needing help to sort them out. Another 9% reported that the process was unmanageable for them and they needed substantial help to apply.



"I have good IT skills. I imagine if someone did not this would be extremely stressful."

- Questionnaire Respondent

"I feel that because I have knowledge of the benefit system and worked in the advice sector I was able to deal with Universal Credit OK. However someone that didn't would not find this so easy. I was shocked at the mistakes and the length of time it took to correct these and this did put me in some financial difficulty."

- Questionnaire Respondent

"I think the process is easy as long as you are capable of using a computer and understand the questions."

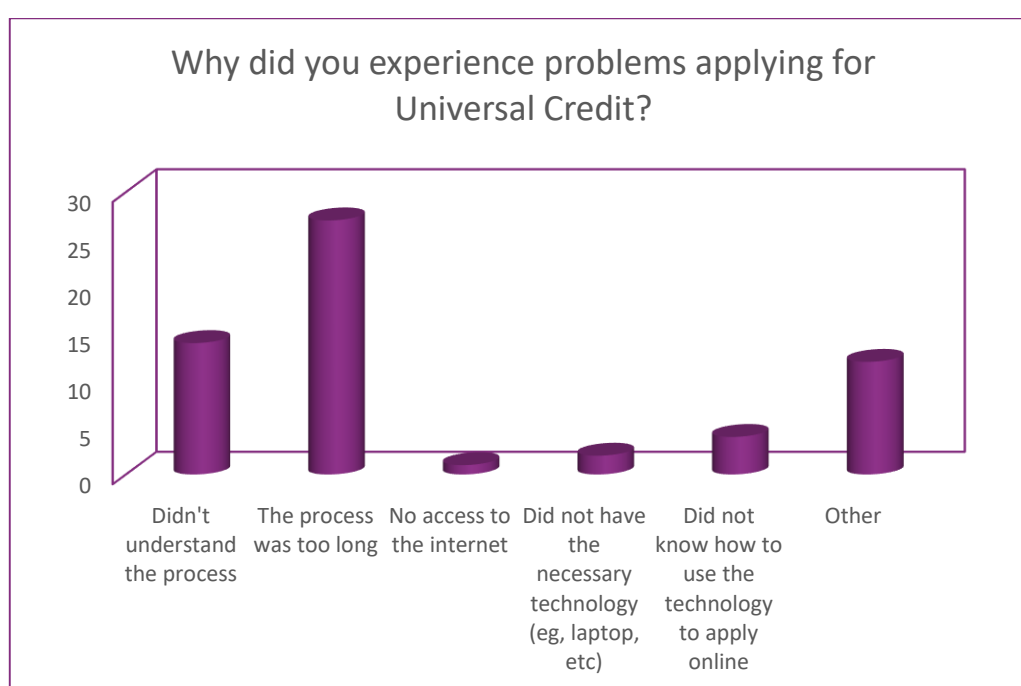
- Questionnaire Respondent

"I spent 7 hours at the Job Centre to apply. It's very stressful and complicated."

- Questionnaire Respondent

Why did you experience problems applying for Universal Credit?

The women were asked to detail the reasons for the problems they experienced applying for Universal Credit. Most of the women (61%) felt that the process was too long. 32% reported that they did not understand the process and 18% experienced technology issues (did not know how to use the technology to apply online, did not have the necessary technology or had no access to the internet). Some of the other reasons for problems applying were issues with identity verification, unable to get guidance from staff or staff were unable to help and the repetitive nature of the process.



"I suffered great anxiety and stress from being told I would be moving to Universal Credit. I felt under pressure and stress to immediately find work to get the constant pressure of checking in, recording evidence or proving I was looking for work off my shoulders. I felt angry at staff who did not know the system they were putting me through, making mistakes and causing me more stress and hassle. I also felt shame for having to justify myself, even though I would love to work but couldn't find suitable employment. I felt patronised and degraded by the process."

- Questionnaire Respondent

“It was too lengthy and the staff over the phone are not knowledgeable about the process.”

- *Questionnaire Respondent*

“It’s awful. So long winded. Repetitive and confusing questions. You are scared of answering incorrectly by accident in case they say you’re not eligible for payment. Also, it took a whole month to be told how much we were eligible for that month.”

- *Questionnaire Respondent*

“It’s a horrendous experience. I felt worthless and useless like I wasn’t entitled to claim any help. Universal Credit refusing/unable to answer questions relating to claims or being vague with answers.”

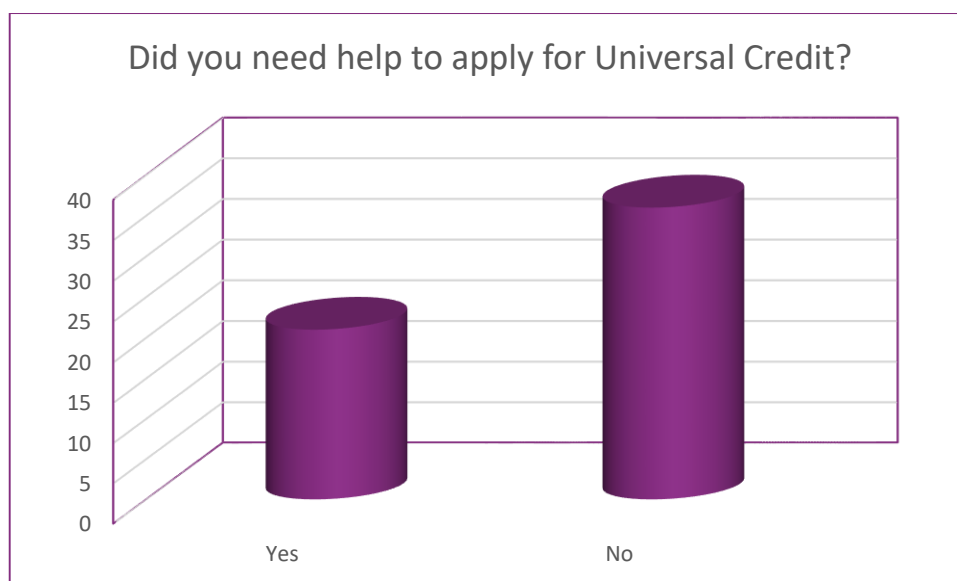
- *Questionnaire Respondent*

“I don’t know how anyone with difficulty with computers could manage this process. I know a few people who are not confident enough with computers to do it themselves.”

- *Focus Group Attendee*

Did you need help to apply for Universal Credit?

The majority of the women (63%) did not need help to apply for Universal Credit with 37% needing help to make their application. For those who did need help to apply the most common source of help used was through the Jobs & Benefits Office/Social Security Office staff (38%). Advice centres were used as a source of help by 29% of the women who had needed help to apply, 24% had sought help from a friend or family member and 5% had sought help from a women’s centre.



“It was a very long drawn out process. It would have been easier to have a Job Coach go through the process with you and list all of the evidence that you need so you can have it readily available before starting the process.”

- *Questionnaire Respondent*

“If you ring up the Jobs and Benefits Office you have the option to speak to someone. But with Universal Credit you can’t talk to a person. The old system allowed you to speak to a person so that you could understand it. Now for Universal Credit you can’t talk to a person you have to put it on your journal.”

- *Focus Group Attendee*

“I got the Job Centre staff to help out as I didn’t know what to do.”

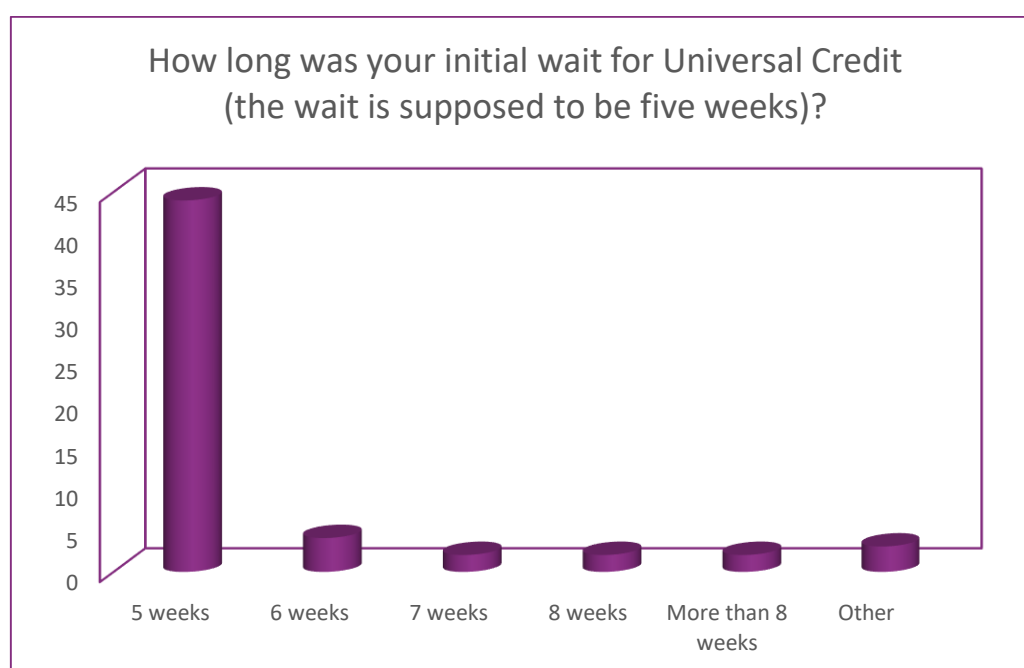
- *Questionnaire Respondent*

How long was your initial wait for Universal Credit (the wait is supposed to be five weeks)?

The vast majority of the women (77%) reported that their initial wait for Universal Credit was five weeks which is the Government’s stated commitment for the first Universal Credit payment. A further 7% reported waiting six weeks for their initial payment and

another 7% waited seven or eight weeks. Just over 3% had been forced to wait over eight weeks and 5% were still waiting on their first payment.

The reasons given for waiting longer than five weeks for the initial payment related to problems uploading documents on the system and delays in response times to queries on the system. Some of the women reported that they did not know why they had to wait longer than the five weeks.



“My wait was longer because of getting documents uploaded, wrong information uploaded, queries which took a long time to resolve.”

- *Questionnaire Respondent*

“No reason I was told problems with system.”

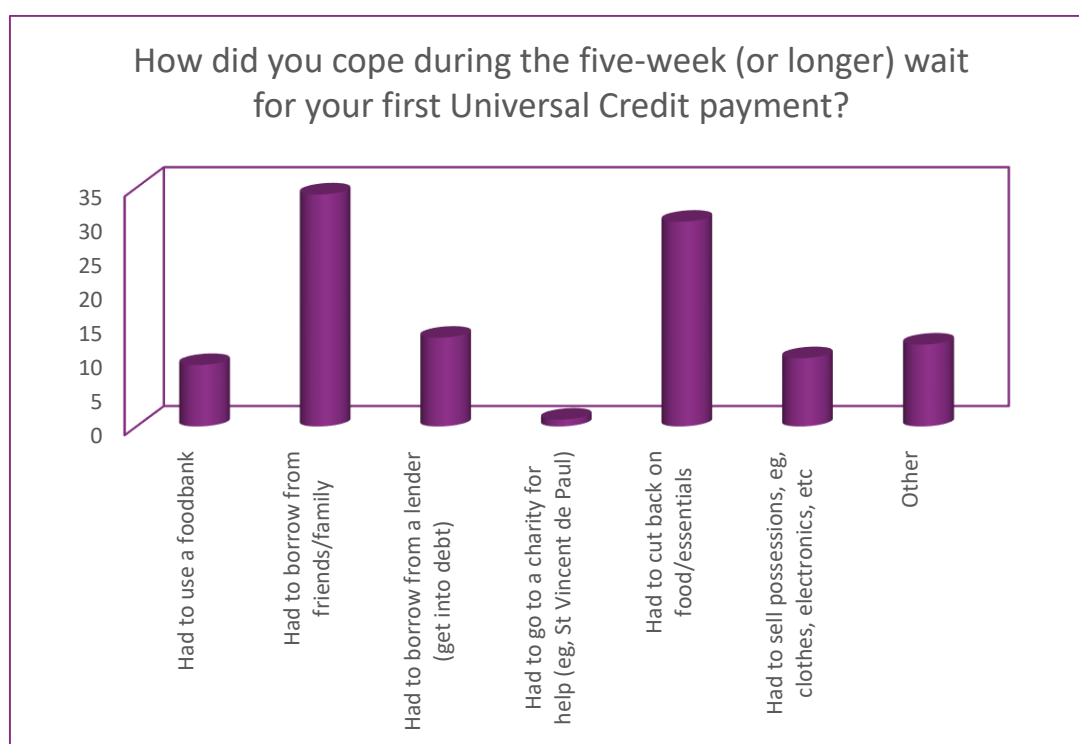
- *Questionnaire Respondent*

“Not sure, they told me it was an 8 week wait but I could apply for a loan if I needed to but would have to pay it back which would lower the fortnightly payments.”

- *Questionnaire Respondent*

How did you cope during the five-week (or longer) wait for your first Universal Credit payment?

A considerable number of the women (61%) reported borrowing from friends/family to get them through the initial wait for payment and 53% reported being forced to cut back on food and essentials to make ends meet. Worryingly 25% were forced to borrow from a lender, 18% had to sell possessions such as clothes or electronics and another 16% to use a foodbank to get through the wait. A number of the women (5%) reported using their savings to get by during the wait.



“Before I moved to Universal Credit I volunteered at the Foodbank now I have to use it.”

- Focus Group Attendee

“Some of us borrow money from paramilitaries but you can’t say to them you won’t pay them for 5 weeks – they’ll break your legs!”

- Focus Group Attendee

“I applied for Universal Credit before Christmas, it was really terrible, it was hard to cope.”

- *Focus Group Attendee*

“The five-week wait was horrendous. I sold my sofa and had to borrow as well. I got an Advance Payment but had to pay my rent since it didn’t get covered for the month when I changed from Income Support to Universal Credit so I was left with £50. It feels as though you’re being punished and just made to struggle when you most need the help.”

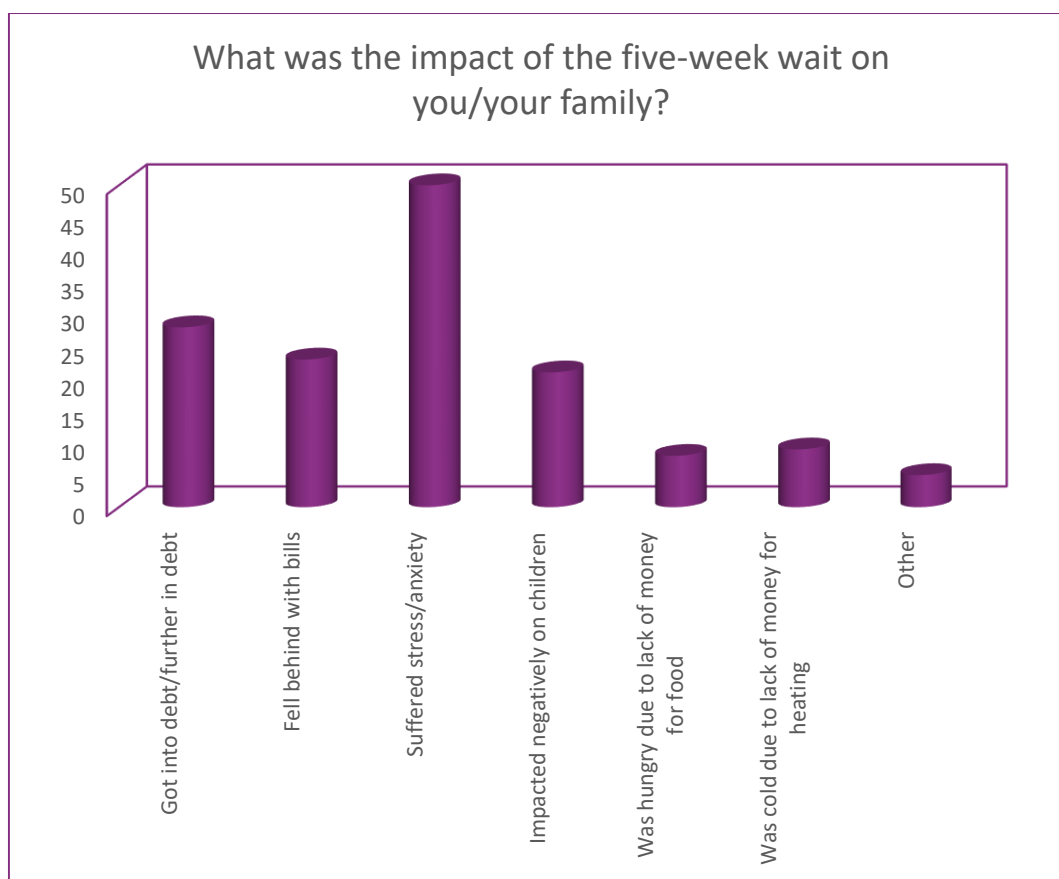
- *Questionnaire Respondent*

“I had to borrow from family, friends and through Discretionary Support to get by.”

- *Focus Group Attendee*

What was the impact of the five-week wait on you/your family?

The most commonly reported impact on the women was that they suffered stress and anxiety as a result of the five-week wait (89%). 51% reported getting into debt or further in debt, 42% reported getting behind with bills and 39% reported that the five-week wait impacted negatively on their children. Sadly, 16% of the women said that they felt cold due to a lack of money for heating and 14% said that they felt hungry due to a lack of money for food.



"I'm a carer on a zero hours contract. My work dwindled over the summer and I was not doing 16 hours a week so I was changed over onto Universal Credit. The five-week wait just crippled me. I feel like I'm just playing catch up all the time now."

- Focus Group Attendee

"I have two young children and I wasn't able to do any activities with the children due to serious budgeting problems in the six week wait for my first payment. The children couldn't have any treats/sweets just basic foods. They couldn't understand why there was such a change."

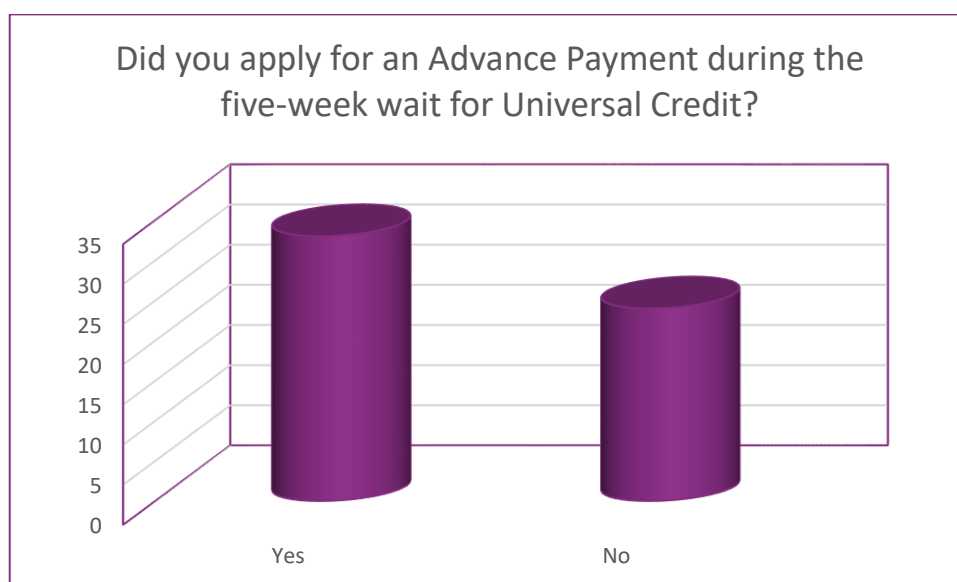
- Questionnaire Respondent

"It was a big, big struggle, we survived on the bare minimum, no extra anything, no clothes, no trips to the soft play just the park and school."

- Questionnaire Respondent

Did you apply for an Advance Payment during the five-week wait for Universal Credit?

Just under three-fifths of the women who responded to the questionnaire had applied for an Advance Payment during the initial wait for payment and 42% had not taken an Advance Payment.



“I took out an Advance Payment of £100 the smallest amount I could manage on as I didn’t want to have to pay back a large sum.”

- *Questionnaire Respondent*

“I took out £1,000 and it was paid back at about £88 a month.”

- *Questionnaire Respondent*

“I applied for Universal Credit and had to take out an Advance Payment. This was a bad idea as I have to pay it back – it leaves people even worse off. You shouldn’t have to pay it back.”

- *Focus Group Attendee*

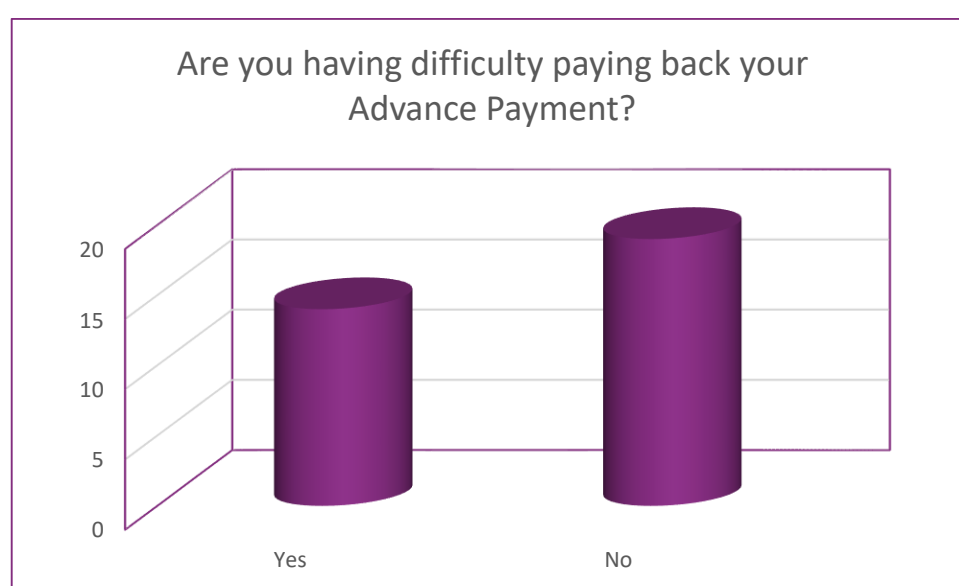
“I got a £795 advance and the repayments were £65 per month.”

- *Questionnaire Respondent*

Are you having difficulty paying back your Advance Payment?

Of the women that had applied for an Advance Payment 42% are experiencing difficulties paying back their Advance Payment from their Universal Credit award.

The amounts taken out in Advance Payments ranged from small amounts such as £100 to larger sums some as much as £1,400. Repayment amounts varied according to the amount taken as an advance but for many of the women the repayment amounts were substantial.



"I took £1,000 but was offered £1,500 but knew I would never be able to afford the payments. They take £83 a month to pay back the £1,000. It wasn't enough for my family of 5 so I've used credit cards and I'm now in debt."

- Questionnaire Respondent

"I got an Advance Payment of £906. I'm having to pay it back at £75 a month. This still means serious budgeting issues and I still have to borrow money."

- Questionnaire Respondent

“I have to pay my Advance Payment back at £75/month – I asked them to lower the amount but they refused.”

- *Focus Group Attendee*

“I think the process is cruel. I was offered £1,400 for my Advance Payment. They have agreed to pause the repayments for me for a time but only once and they would not consider reducing them during COVID so I could afford to buy food for my children.”

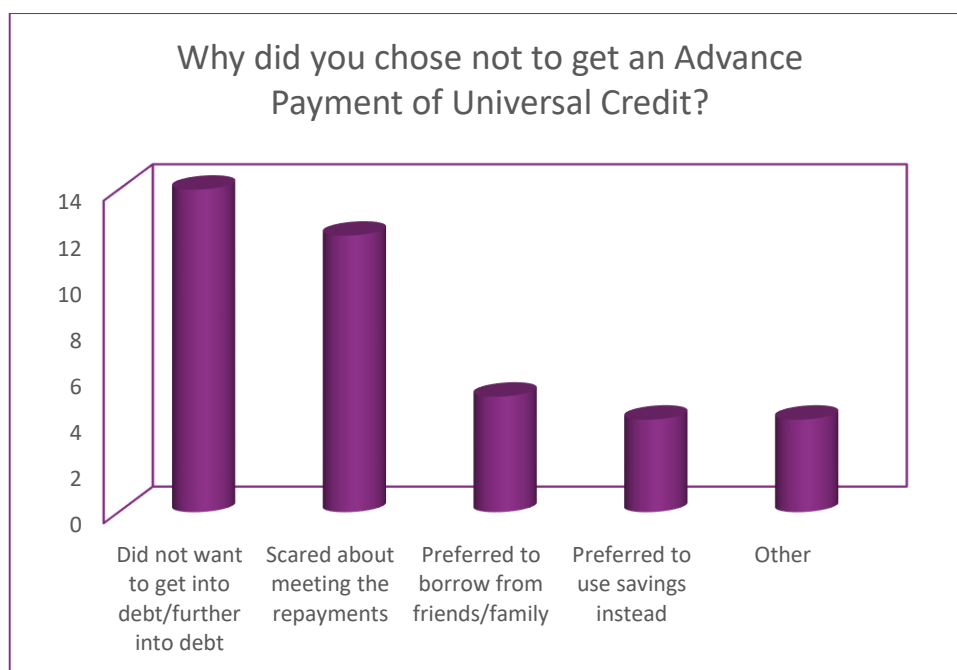
- *Questionnaire Respondent*

“We weren't aware that the Advance Payment had to be repaid as it wasn't clear enough on the website and were surprised when we were asked for repayments.”

- *Questionnaire Respondent*

Why did you choose not to get an Advance Payment of Universal Credit?

The most common reason that women chose not to get an Advance Payment was the fear of getting into debt/further debt (58%) as a result of taking out the loan. 50% reported being fearful about being able to meet the repayments. Some women preferred to borrow from friends/family (21%) or to use their savings instead (17%). A number of other women reported not knowing about the availability of Advance Payments.

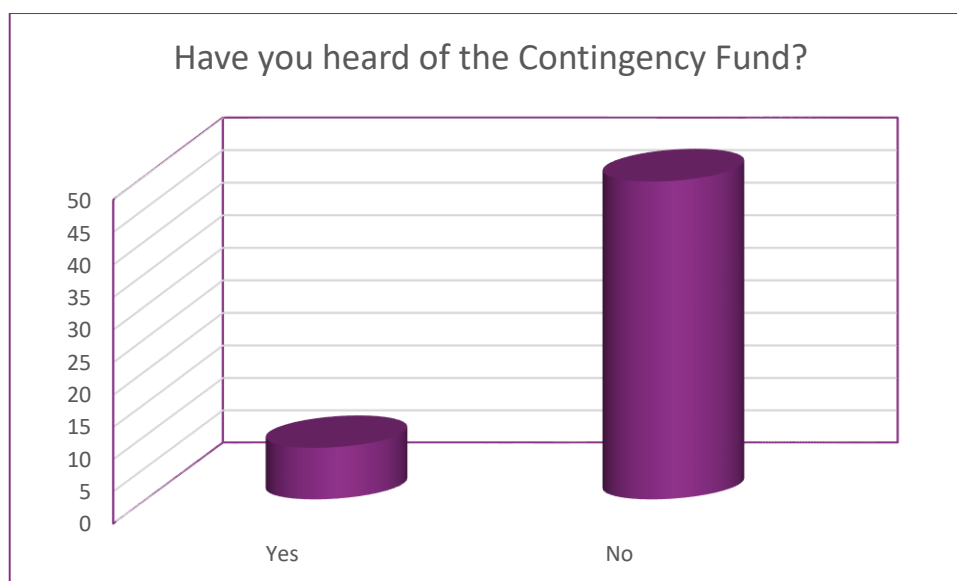


"I didn't want to get into more debt so I didn't take the Advance Payment. I tried to survive on my part-time wages but it was a struggle and I ended up having to ask my sister for help. I've had issues with Tax Credit overpayments before and I don't want to get into debt like that again."

- Focus Group Attendee

Have you heard of the Contingency Fund?

The vast majority (86%) of the women had not heard about the Universal Credit Contingency Fund. This fund was set up to help people who are struggling on Universal Credit and is a grant which does not result in debt. It is therefore an important area of help for people who suffer hardship as a result of Universal Credit.

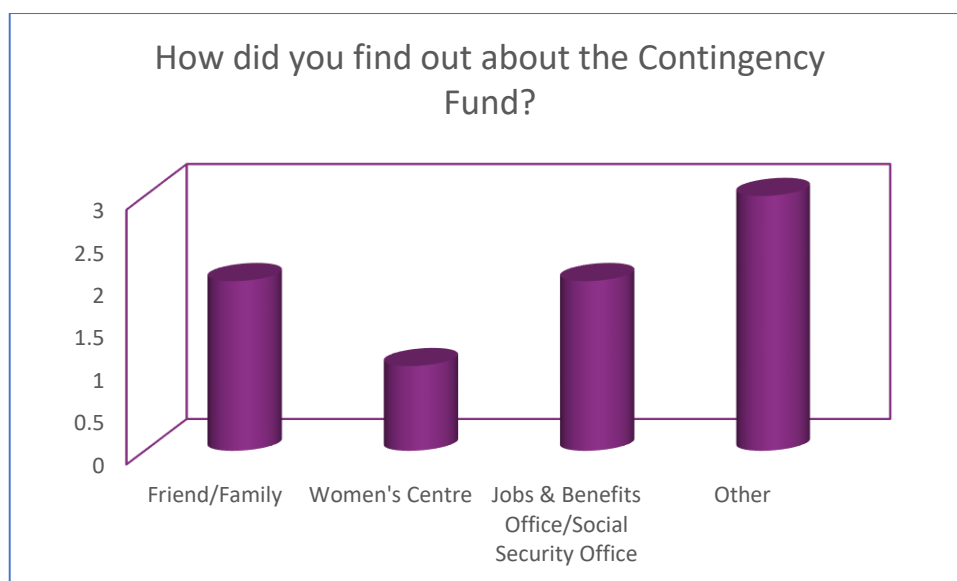


“It would have helped me to be able to talk to a person about my claim when I needed to. It would also have helped me if I had known about the Contingency Fund.”

- *Questionnaire Respondent*

How did you find out about the Contingency Fund?

Of the small number of women who had heard about the Contingency Fund a quarter had heard of it from a friend/family member and a further 25% from the Jobs & Benefits or Social Security Office. The remainder had found out about it from their local women’s centre, community centre or MLA’s office.



“It took just over 5 weeks for my first payment. That was my biggest problem with Universal Credit because I have 3 children. It was hard to manage as I don’t have any family support. I got advice and was told about help through Discretionary Support so I took a lower amount of Advance Payment £200 and got a grant through Discretionary Support to help me get through it.”

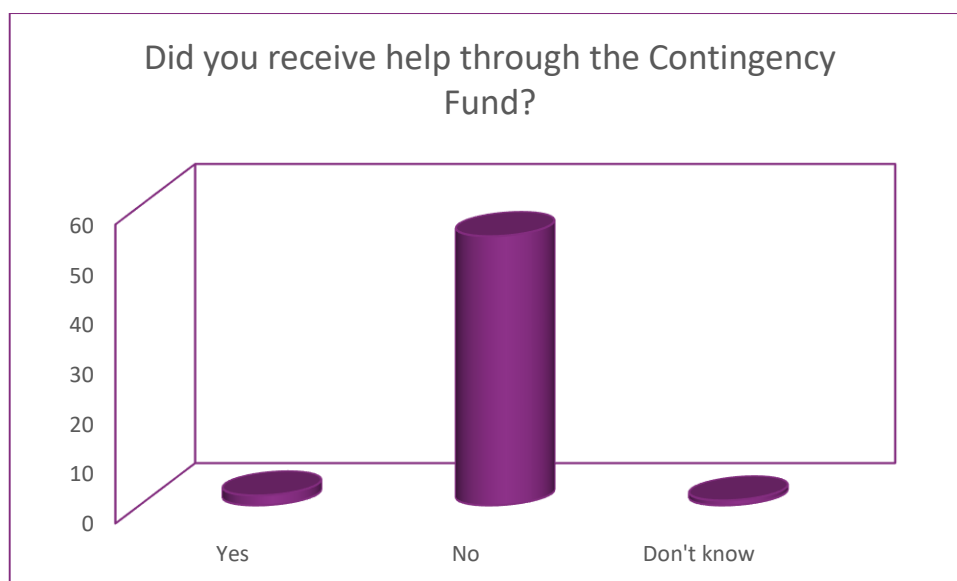
- Focus Group Attendee

“I put in for the lowest amount of Advance Payment – I took £200 and I applied for help through Discretionary Support (Contingency Fund) – so I got a grant which at least I don’t have to pay back. But I did my own research to find this out.”

- Focus Group Attendee

Did you receive help through the Contingency Fund?

Only two of the women who responded to the questionnaire had received help through the Contingency Fund. The vast majority of the women (95%) had not received help from this Fund.



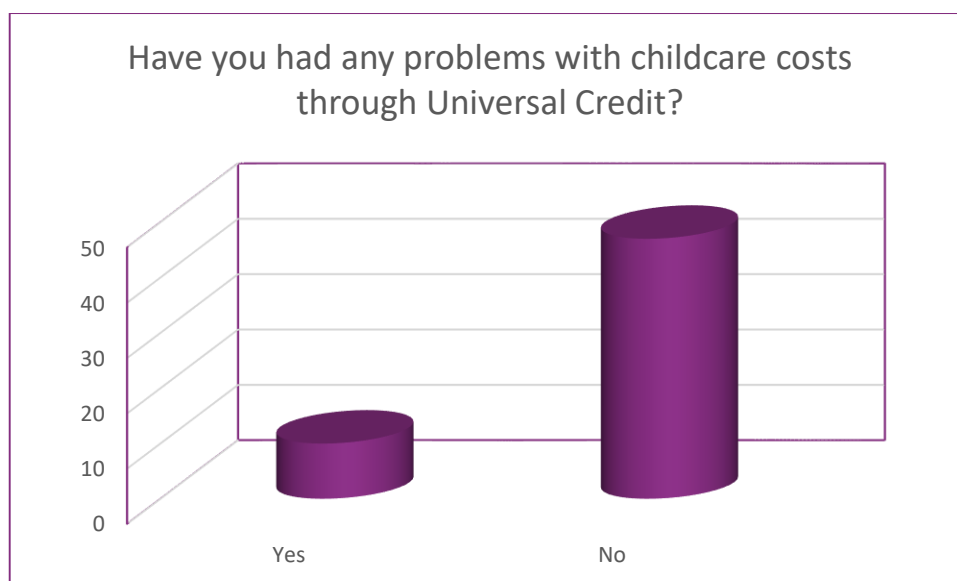
“If I had known about the Contingency Fund that would have really helped. Now they are taking £75/month off me and I’m really struggling and getting into more debt.”

- Focus Group Attendee

Have you had any problems with childcare costs through Universal Credit?

Most of the women (82%) had not experienced any problems with childcare costs in their application with 18% reporting some problems.

The problems experienced with childcare costs centred around the necessity of having to pay upfront fees to their childcare provider while waiting on help with childcare being paid through Universal Credit. Other women reported problems with the documentation required and proof of payment.



“I use a breakfast club for my youngest child but because we don't get proof of payment I couldn't claim help with the cost.”

- *Questionnaire Respondent*

“I have to pay childcare up front and the bill was £800 which I don't earn in a month. Children only have a part time place two days a week. I had to save up to be able to access this service and I am still waiting to be reimbursed for this payment months later.”

- *Questionnaire Respondent*

“After schools had be paid up front and I couldn't afford to pay a month in advance and therefore lost out on places trying to book weekly because there were not very many left. I had to wait a month to be reimbursed as well. The process to show proof of this was very difficult.”

- *Questionnaire Respondent*

“How could a single parent on benefits afford a childcare bill upfront of £800??”

- *Questionnaire Respondent*

"I still owe for my last month of childcare. There was a date to pay by and send in the payment receipt but I did not have the money to pay it then as my last wages went to my rent. I did not want to be homeless as I'm in private rental. I lived off food banks and loans until I got the payment."

- *Questionnaire Respondent*

"Childcare is paid in arrears. I pay it, I tell Universal Credit, they decide if it's a valid claim. How can I save up the money for the first payment? What if there's a problem getting paid back? Only option Universal Credit have suggested is another advance!!!! More debt."

- *Questionnaire Respondent*

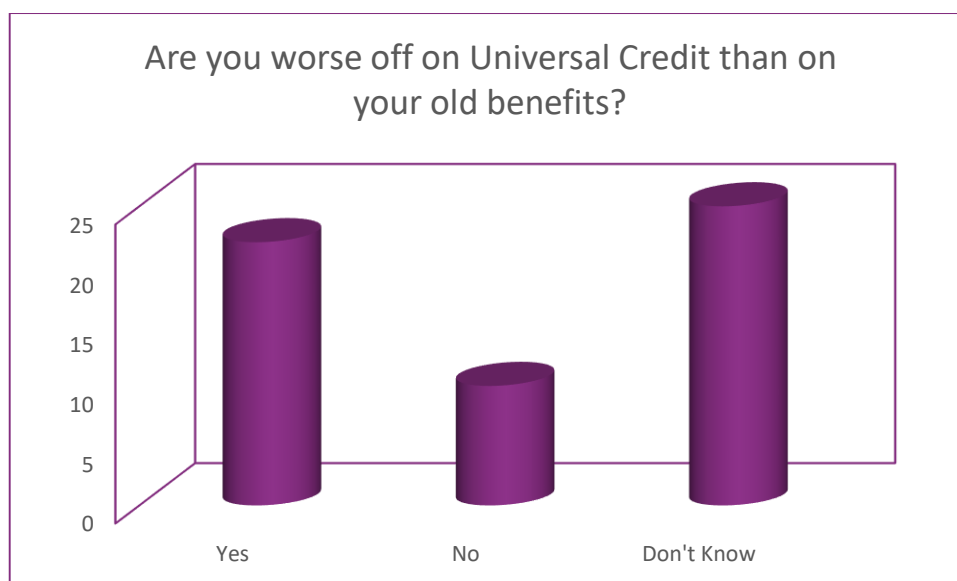
"It was stressful because I had to borrow to make ends meet and then repay that money back. I am still waiting to be reimbursed for childcare. I was much better off on Tax Credits."

- *Questionnaire Respondent*

Are you worse off on Universal Credit than on your old benefits?

A significant proportion of the women (39%) felt that they were worse off on Universal Credit than on their previous benefits with 44% reporting that they were unsure if they were better or worse off. Only 18% felt they were not worse off on Universal Credit.

The women who reported being worse off on Universal Credit reported being worse off to the amount of at least a couple of hundred pounds a month some reporting being worse off up to £900 per month.



“We are worse off by £900 a month. I have to pay rent, electric, my car which I need for work (I had to get a car on tick because I couldn’t afford one flat out) and my credit card which has mostly groceries on it and what we survived off for the five-week wait with no assistance. The credit card bill is now £2,500 with a minimum payment of £100. We have Sky, phone and internet package (we need the internet for a school aged child), food costs for a child with food allergies as well as our normal groceries, nappies and formula for my granddaughter living with me. This does not include other bits and pieces like TV Licence, fuel, etc. I’m on a 21-hour contract but manage to grab overtime to bring me up to a full time wage and Universal Credit of around £200 every two weeks. Anything I earn over the necessities has to go on my credit card. Forget buying clothes or any other necessities. I don’t drink, I don’t smoke and my only luxury is the Sky package yet we STILL struggle.”

- *Questionnaire Respondent*

“£700 per month of a difference and the amount changes every month because my partner gets paid differently every month.”

- *Questionnaire Respondent*

“I am £50 a week worse off and for some reason whatever way Universal Credit works differently to Working Tax Credits I’m now not entitled to free school meals or the school uniform grant.”

- *Questionnaire Respondent*

“I only had one child whilst on Tax Credits and am receiving less for two children now I am on Universal Credit.”

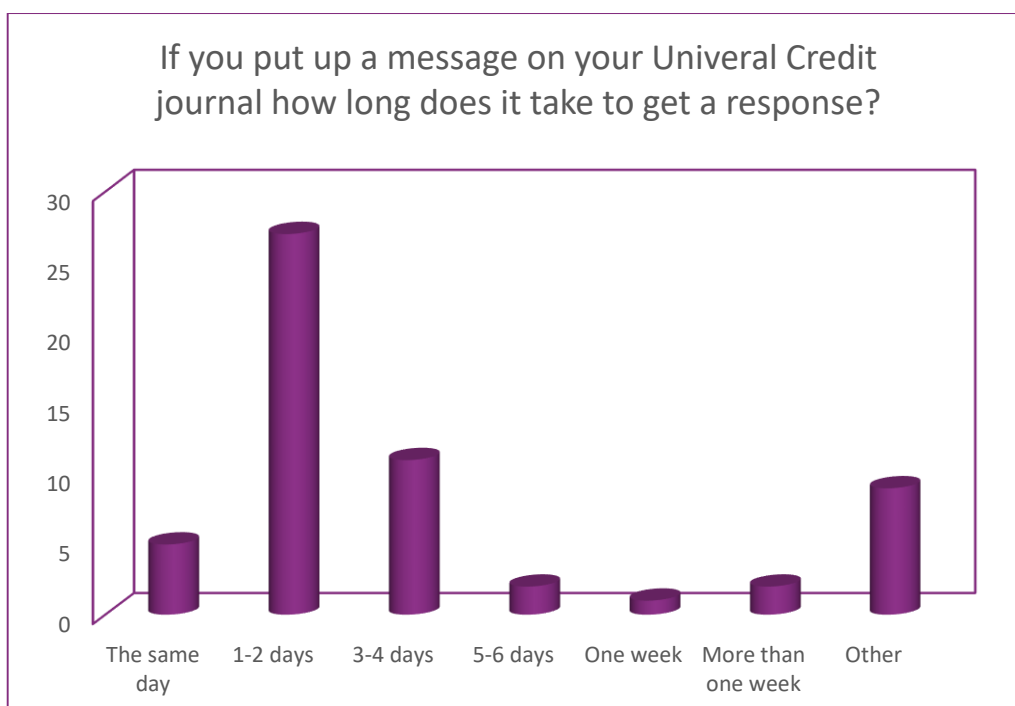
- *Questionnaire Respondent*

“On Universal Credit I’m getting around £300 less a month than I was getting on my old benefits.”

- *Focus Group Attendee*

If you put up a message on your Universal Credit journal how long does it take to get a response?

The majority of the women received a response to a message on their Universal Credit journal either the same day (9%) or in 1 to 2 days (47%). A further 19% waited 3 to 4 days for a response. The remainder of the women waited 5 to 6 days (4%), one week (2%) or more than a week (4%) with a number of women also reporting that they had received no response at all to their message or had never used the message facility.



"I put a message on my journal and didn't get a reply for 2 weeks. You start panicking about things."

- *Focus Group Attendee*

"A vital question got unanswered and delayed help with housing for another 4 weeks."

- *Questionnaire Respondent*

Detail any other problems you have experienced with your Universal Credit Journal.

The women detailed a number of problems with their Universal Credit journal. The most common was not being able to speak to a person about their claim and having to do it all online. Some other women experienced problems with not getting their questions answered properly or receiving generic replies to their messages. This often left them confused.

“Waiting days for a reply with an issue we had for an overpayment and waiting for an update. Numerous messages and calls made. Then messages not being read when inputting income from my husband and being asked to confirm the same information again.”

- *Questionnaire Respondent*

“Finding out information is hard because you can’t go to see them.”

- *Questionnaire Respondent*

“Emotionally unavailable system and the workers in job centres with the best will in the world have been purposefully deskilled in this new system which means many people fall off without support.”

- *Questionnaire Respondent*

“Generally it's been OK but I've sometimes received unnecessary, patronising and passive aggressive messages.”

- *Questionnaire Respondent*

“I’ve had problems with not getting questions answered properly, they just answer with generic responses.”

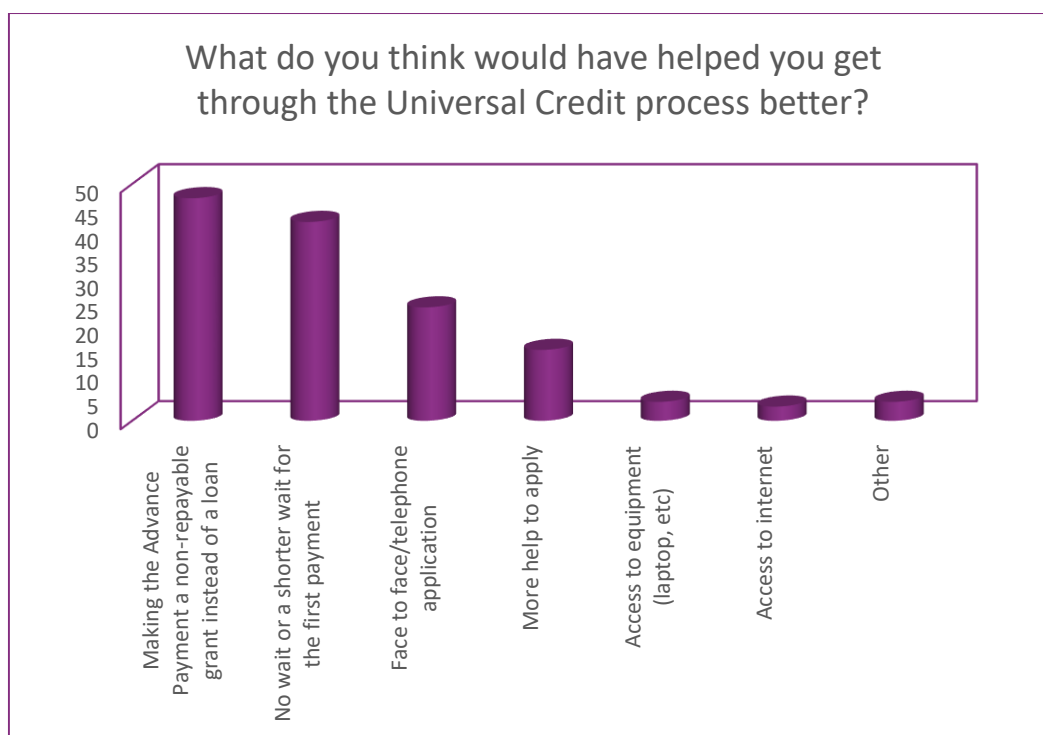
- *Questionnaire Respondent*

“I was overpaid by HMRC when I first switched to Universal Credit and I only received a letter a few days before my next statement was ready. However, before I could even ring about the overpayment it was deducted from my Universal Credit payment and left me £100 short for a whole month. Things like this should be discussed before they are automatically taken, as I was left short for bills, etc.”

- *Questionnaire Respondent*

What do you think would have helped you get through the Universal Credit process better?

The vast majority of responses to this question focused on the issue of the wait for the initial payment. Women responded that making the Advance Payment into a grant rather than a loan (84%) or a shorter or no wait for the initial payment (75%) would have helped them get through the process better. Some of the women reported that being able to apply face to face or by telephone would have helped them (42%) as opposed to a primarily online application. More help to apply was suggested by 26% of the women and help with technology through equipment and internet access suggested by 12% of the women.



“Everyone’s needs are different. Some people don’t know how to use a computer/laptop, some can’t afford the internet. I think people should be able to walk into a Job Centre and receive help with their application.”

- *Questionnaire Respondent*

“It would have been much easier if I had been given a couple of months to get back on my feet after the five-week wait and to adjust to being paid monthly instead of weekly before I started paying back the Advance Payment.”

- *Questionnaire Respondent*

“The best solution is less waiting time at the start.”

- *Focus Group Attendee*

“It would have really helped me not to have to pay the Advance Payment back.”

- *Focus Group Attendee*

“The thing that would have helped me most is not getting into debt at the start.”

- *Focus Group Attendee*

“It would really help if you got a payment in the initial wait that you didn’t have to pay back. It would help you not get into any more debt.”

- *Focus Group Attendee*

“It would have helped if they gave you money for the wait and you didn’t have to pay it back.”

- *Questionnaire Respondent*

Detail your feelings about the Universal Credit process and any other problems you experienced with your application not covered already.

- The women’s feelings about the Universal Credit process were overwhelmingly negative with some describing feelings of worthlessness and feeling degraded by the process.

“It feels like a trap that I will struggle to get out of.”

- *Questionnaire Respondent*

“I feel it’s degrading as they make you feel like you’re an utter leech on society because you’re applying for help. I work, I work hard for minimum wage and have been keeping us going by working as many hours as I can get.”

- *Questionnaire Respondent*

“Very, very frustrating and stressful and makes a difficult time an even worse experience.”

- *Questionnaire Respondent*

“Universal Credit caused so much stress and depression and feelings of worthlessness and poverty that I closed my claim. Everything about this system is designed to push people over the edge.”

- *Questionnaire Respondent*

“I felt degraded, it affected my mental health and self-esteem. The system does not work and the most vulnerable will be going through hell with this system.”

- *Questionnaire Respondent*

“I found it very stressful. It caused money worries and there was not enough information provided to help us with the process especially around the assessment period.”

- *Questionnaire Respondent*

“With just Universal Credit it's no life to live. We can't have the heating on just when it's really cold because we can't afford the gas, we had to have just hot water bottles at night. Thank God for food banks otherwise eating would have been much worse. No new clothes! I'm glad my little one is only small and doesn't seem to pick up on trends and knows we don't have much money so she doesn't ask for much because I can never afford it.”

- *Questionnaire Respondent*

“I absolutely hated it. Found the whole process a stressful ordeal.”

- *Questionnaire Respondent*

“I feel that if I didn't have my parents help then this would have been an even more challenging time. I really liked my Work Coach and I think because I did all the job search work with evidence it made it easier for both of us. I felt embarrassed and frustrated when I asked for help with interview clothes. Men get up to £300 for a suit in City Man. Women get one outfit from Dunnes Stores (mine came to £85). I didn't get the right proof and I had to go back to Dunnes to get it. I felt upset and like I had to jump through hoops.”

- *Questionnaire Respondent*

- The impact of the five-week wait and trying to manage to make ends meet during this waiting period, even with an Advance Payment, caused many of the women severe distress and anxiety and this was very evident in their responses.

“Not getting anything for 5 weeks during the wait is a disgrace. Do they really think kids don't need to eat or be warm for that time?”

- *Questionnaire Respondent*

“It was very difficult at the start.”

- *Questionnaire Respondent*

“It is a terrible process, the weeks at the start without any money, and all the other benefits stop like housing benefit so you just end up in debt.”

- *Questionnaire Respondent*

“The first few months on Universal Credit are so hard, you still have bills to pay. You have to try and figure out how to manage.”

- *Focus Group Attendee*

“I had to wait 6 weeks on my first payment. The process was long. I applied online and had to ask the staff a few questions. The biggest problem I had was making the Advance Payment last six weeks.”

- *Questionnaire Respondent*

- Many of the women felt that the amount they received on Universal Credit was inadequate to live on forcing them to go to foodbanks and getting into debt.

“It’s been stressful. Checking my bank account daily to see how little money I’ve got to spend on food and hoping no more bills come out.”

- *Questionnaire Respondent*

“The amount allocated is just not sufficient to cover basic living costs.”

- *Questionnaire Respondent*

“I struggle sometimes with the amount I’m getting. I worry about money.”

- *Questionnaire Respondent*

“I’m always borrowing from my Nan, from friends etc. I’m constantly juggling, borrowing from A to pay B, then from C to pay D. I’m never out of debt. I was looking through PayDay loans as I’m struggling but no one would give me any money. I rang Discretionary Support but they won’t help as I’ve hit my maximum.”

- *Focus Group Attendee*

“The foodbank gives enough to last 3 days for 3 meals. Sometimes you can make it stretch a bit further. My mum helps me sometimes too, she paid for my oil last month. By the time I paid for food and electricity I had nothing left.”

- *Focus Group Attendee*

“Universal Credit has put me in more debt. I was getting enough to get by before. At no point was I going without electricity, worried about how I was going to feed my kids for the next 3 nights, sitting with no oil, but now I am.”

- *Focus Group Attendee*

“I have what I call a good week when I get Universal Credit then a ‘nothing’ week when there’s nothing. I do a big food shop when I get my payment and that has to last me 2 weeks. If I’m short of food I go to two different foodbanks. I didn’t have to do this before Universal Credit.”

- *Focus Group Attendee*

- A number of the women raised concerns about the Universal Credit assessment periods. The way the assessment periods work means that sometimes two pay days can fall within it severely reducing the claim, causing loss of entitlement and meaning that claimants have to repeat the application process and potentially get into debt.

“Any five-week month is hard going because my husband is paid weekly it means that every 3rd month we are assessed as having an extra £300 that we don’t technically get and we lose out on entitlements that month. It drops from two payments of £270 to 2 payments of £150.”

- *Questionnaire Respondent*

“It has left me suffering from severe depression due to debt and having no money. Stress and anxiety with not knowing every month what payment I will receive. The way the payment months work with some months having more weeks than four means that I am now facing homelessness due to rent arrears. So I am now in rent arrears as it's not every four weeks like the old system.”

- *Questionnaire Respondent*

“I feel that Universal Credit is a very unfair system. I get paid 4 weekly and there's a few times in the year I get two pays inside one of their assessment periods which stops my claim altogether. Then I have to re-apply all over again. They should have something in place to sort this.”

- *Questionnaire Respondent*

- Some of the women reported stress and frustration because they did not know how much Universal Credit they were going to receive and when it would be paid each month. They reported that the amounts kept changing and they had to wait longer to find out how much they were going to receive. This plays havoc with attempts to plan and manage household budgets.

“I feel the wait to find out how much you are entitled to is too long. This causes a lot of stress and anxiety.”

- *Questionnaire Respondent*

“Every month my payment amount has been different. This makes it extremely difficult to plan.”

- *Questionnaire Respondent*

“Universal Credit is meant to be paid fortnightly but sometimes you wait 2 weeks and 5 days for the payment to come. It is not predictable like the old system – sometimes you are waiting a few days more and that means that you don't know when you are going to get paid.”

- *Focus Group Attendee*

“I don’t know when my payments are going to be made and how much I’m going to be getting. With the old benefits system it was very reliable – you knew how much you were getting and when, it was very consistent. Now I have to go on and check when I’m getting paid and try and work around it. It was easier with the old benefits – you would have got different benefits paid different days and different weeks so you knew there was always something coming maybe the next week. Now it’s all together and it makes it harder to manage.”

- *Focus Group Attendee*

“It is shocking, the whole process is degrading and then you really don’t know what your payment is from one month to the next. Mine changes monthly even though my wages are the same so you can never really depend on it. My worry is now that when I get paid if it goes in a day earlier than normal due to the weekend I will receive no money and have to start the process all over again.”

- *Questionnaire Respondent*

- A number of the women reported issues with getting their Universal Credit questions answered by staff. They reported problems with the ability of some staff to answer questions and delays in getting responses.

“Universal Credit staff need to be better trained and understand the system. They were woefully under trained.”

- *Questionnaire Respondent*

“Faster and clearer responses need to be made through the journal. They need more staff.”

- *Questionnaire Respondent*

“Even the office workers in my local benefits office were confused with some parts of the application.”

- *Questionnaire Respondent*

“You get told different things by different staff so you don’t know what’s going to happen.”

- *Focus Group Attendee*

- The impact of Universal Credit had caused a number of the women to experience arrears with their housing payments. For those in private rented accommodation this was particularly worrying due to a lack of security of tenure.

“I’m in private rented accommodation and moving to Universal Credit caused issues with my landlord – it puts you at risk of being homeless.”

- *Focus Group Attendee*

“I am in NIHE property and I keep getting letters about being in arrears, I get a letter every month. Getting letters about arrears makes me depressed – it stresses you out.”

- *Focus Group Attendee*

“I’m afraid about not being able to pay my rent – all my landlord has to do is give me a months’ notice and I’d be out. I’m worried about being homeless.”

- *Focus Group Attendee*

- Problems with the Two Child Limit which applies to Universal Credit were also raised meaning that women received no money through Universal Credit for a third or subsequent child.

“I just think it is a shambles the way Universal Credit is structured. I only get money for two of my children and nothing for the baby. The only money I get for the baby is Child Benefit.”

- *Focus Group Attendee*

- While issues with sanctions were not widely reported by the women and are less of a problem in Northern Ireland there are still cases where they are applied and cause hardship and distress to those impacted by them.

“I messaged my Work Coach and let her know I couldn’t come to an appointment because I was fleeing to a Women’s Refuge. Even though I let them know I was sanctioned and left with just over £200 that month for something which was out of my control. I got a loan from the Job Centre to survive because there was *“nothing they could do”* about it.

I understand that there are people who cheat the system but what about all the vulnerable people who need and rely on these small payments as a way to live and who have no other means? Why are we made to pay? Giving people sanctions and small payments keeps us in a low place and causes depression and anxiety because they cannot afford to live and feed and clothe their children. It’s very sad.”

- *Focus Group Attendee*

Case Study – Greenway Women’s Centre

“I had been in receipt of Income Support, Tax Credits, Housing Benefit and Child Benefit of around £900 a month. I have 3 children aged 5, 4 and 3. I had to apply for Universal Credit because I changed address and no one told me I had to sign a new tenancy agreement within two days and by the time I did I was told my Housing Benefit claim had been closed and I had to apply for Universal Credit as I could no longer make a new claim for Housing Benefit. I was so upset and scared when I realised that I had to go on Universal Credit.

I applied online in the Jobs and Benefits Office and if I didn’t understand a question I asked the staff for help. I am alright on computers so it took about an hour. It took six weeks to get my first payment through. In that time I was offered and took an Advance Payment of £906 and this was all the help I got. During the initial wait I struggled to buy food, oil and electric. It left nothing if I needed extras like new shoes for the kids. It just allowed me to do the basics.

Eventually my payment came through but I get less than I was getting on the old benefits plus I have to pay back my Advance Payment. They are taking £75 a month from my payment. I really struggle to manage this as I get just over £300 every two weeks. The only other help I get is through Child Benefit.

I can really see the difference – I’ve gone from getting by to really struggling to the point where I don’t know if I’ll have any electric when I go home. I don’t get paid to Friday and I’ve already exhausted family/friends who I will have to pay back when I get my money. I owe a lot of it already.

It has not been a good experience. I didn’t know about the Contingency Fund help. I can’t get help through Discretionary Support anyway because I’m at my limit. The thing that would have helped me the most is not getting into debt at the start. Universal Credit didn’t inform Tax Credits when I made my claim so this caused an overpayment which I’m now having to pay back as well and I’m already struggling.

Plus there are issues with arrears on my housing costs. I get a letter from NIHE with an amount of arrears I owe after claiming Universal Credit. I panicked and wondered how I could owe that much. I rang them and asked them not to take it out and they agreed so I just pay it when I can on my rent card. I am constantly in and out of arrears with my rent. I’m trying to figure out if I have the money to pay it this week.

They need to tell people about the help available (referring to the Contingency Fund) – you just don’t know about it. It would have helped me not to get even further into debt.”

Case Study – Chrysalis Women’s Centre

“I am a single parent with three children aged 13, 10 and a baby of 6 months. I was working full time and a few weeks after telling my employer I was pregnant I was told they couldn’t keep me on any more. I had difficulty finding another job so had to apply for Universal Credit.

I made the application online at the Jobs & Benefits Office and I found it easy enough. My initial wait for Universal Credit was 5-6 weeks. The first few months of Universal Credit were so hard. I still had bills to pay. I was panicked into taking out an Advance Payment but I did need it. This was the only money I had as well as a week’s wages from work and some holiday pay. I ended up having to borrow from family and go to a foodbank to try and save money on food. It was awful. My two bigger kids were in after schools clubs for football and I tried to keep them in them but eventually I had to explain to them that I couldn’t afford it and they had to come out of them.

They are taking the Advance Payment out of my benefit at £120 a month which is having a real impact. After a few months I thought this is killing me, I have kids, I can’t afford this. I asked them to lower the amount they were taking but they said they couldn’t but I could stop making repayments for a couple of months and start again. I also got £90 through Discretionary Support to help tide me over until I got my Child Benefit paid. I am nearly done paying back the Advance Payment now but it was a struggle.

Before I was on Universal Credit I was working and getting Tax Credits. At least with Tax Credits you knew the amount you were going to get and when. With Universal Credit you don’t know how much you are going to get or when it is going to be paid. It is supposed to be every 2 weeks but sometimes it is nearly 3. I have to keep logging in to check if it is there.

I am in arrears of rent because of the wait for Universal Credit and I am having to pay extra to pay this off. I told them I didn’t have the money to do this and it took a lot of fighting for NIHE to agree to take a smaller amount each week. My mum is helping me with this, she is paying £5 a week off the rent arrears for me. I was pregnant at the time and worrying about losing my home.

The long-term impact of going on to Universal Credit is the debt I am in. I am paying off rent arrears and I had a good credit rating before this but it has gone to the dogs now. I had a credit card I was able to pay off every month when I was working but now I am paying less than the minimum payments. I had to ring and cancel Sky TV and cancel my phone contract and go on Pay As You Go. I am really struggling on Universal Credit and the initial wait was the hardest bit.”

Case Study – Women’s Centre Derry

“I have two boys, a four-year-old and a new baby. My partner works 16 hours a week in bar work. We moved into our new home and I was added to my partner’s Universal Credit claim.

The process of claiming was OK, I got some help from staff in the Benefits Office. My initial wait was 6 weeks and during this time all we had to live on was an Advance Payment and my partner’s wages. We were struggling. The Advance Payment lasted a few weeks but the last couple of weeks we were just living off his wages of £130/week which was really difficult.

We had to apply for a Budgeting Loan to help with moving house and we got £800 which we have to pay back. We are also paying back the Advance Payment so in total we are paying back £140 out of our benefits on loans.

By the time I get my household bills I have nothing left. At Christmas I got help from Sure Start to get oil and got food vouchers and help with Santa. Other than that I was just about meeting the everyday bills.

The house is cold and hard to heat. We have run out of oil a few times and we can’t afford a big fill of oil. We buy drums if there is no money for oil but they are expensive too. We are very sparing on the use of oil as it is so expensive.

I write out what we are having for meals and just get that. I try to batch cook to save money. If I wanted to do something a wee bit extra I couldn’t. I couldn’t invite someone over for dinner, I just wouldn’t have it. It’s tough.

I get a school uniform grant to help with the uniform but it doesn’t cover it. I paid a total of £80 for the uniform and shoes and I only get £37 through the grant. My son is through four pairs of shoes from September. I have to buy the cheapest shoes as I can’t afford any more than that. I had to get a lend of money the last time from family as his shoes were done. The baby is growing so fast I’m always having to get him new clothes. I go to Primark as they are the cheapest.

I ended up borrowing money from a doorstep lender. You do what you have to do, you don’t want to borrow but you have no choice. I will try not to do this again as the interest is so high.

If there had been help available that you didn’t have to pay back it would have helped me a lot. I don’t want to get another loan because of my experience.

Case Study – Women’s Centre Derry Cont’d

The waiting time is too long at the start and I never know how much I’m going to get. I’m told at the first of the month how much I’ll get but it is never the same. I like to plan and know what I’m going to get but it’s never the same and its really hard to budget that way.

I can’t afford anything additional. It’s always stuff for the boys, always us last! I need a new coat but I can’t afford it and the boys come first. If I really needed something I would have to plan ahead or ask my parents for help. Without them it would be an even tougher struggle. I wouldn’t be able to afford a holiday. I went down South for a week with my mum and dad and stayed in a house with them and that was the only way we could get on holiday.

I’m studying at the Women’s Centre for a Level 2 in Makeup. I feel happier studying and I hope to get a job eventually. It benefits my mental health. Last year I was diagnosed with post-natal depression. I attended some self-help programmes at the Women’s Centre which really helped and lifted my mood.

Case Study – Chrysalis Women’s Centre

“I am a single parent with two children. I work part time in childcare and get Tax Credits. I separated from my partner and had to claim Universal Credit.

I made the claim myself and the hardest part was waiting the 5 to 6 weeks on my first payment. I was just living on my pay from part-time work of around £180/week.

I was offered an Advance Payment but I didn’t want to start getting into more debt so I didn’t take it. I have had issues with over and under payments of Tax Credits in the past and I didn’t want to get into all that again. I have had difficulty making ends meet when paying back overpayments.

Instead I relied on my family for help. I borrowed money from my sister and I still owe the money. I was never told or had heard about any help with Universal Credit until my sister told me about Discretionary Support as a friend of hers in the same circumstances as me got some help.

Most of the staff were OK, it helped if you got a really good one. Some of them didn’t understand the issues I had with my payslips and I had to explain to them how to do it! I had quite a few issues and had to go into the office.

I was really stressed in December about Universal Credit because it was two weeks before Christmas and I was told I wasn’t getting anything. I ended up going to see my GP over it.

I asked for my rent to be paid straight to my landlord but it was paid straight to me and I didn’t know. I had never got a payment before so I didn’t realise. So I ended up in housing arrears to my private landlord. I’m in arrears of £400.

It would have helped me to get some money to get through the wait that I didn’t have to repay.”

4. Conclusion, summary and recommendations

*“Universal Credit is the future of our benefits system. As long as its design continues to pull claimants into financial hardship, it will not be the poverty-fighting reform promised. With urgent action, the government has the opportunity to turn the tide of poverty facing so many families across the UK.”*¹²²

Universal Credit is a benefit that people turn to in difficult times often as a result of unemployment, being made redundant, being off work due to sickness or living on a low income. It is therefore of critical importance that it can provide a lifeline to these people and protect them from the devastating effects of financial hardship and poverty.

The experiences of the women detailed in this report do not suggest that Universal Credit is providing this lifeline and helping women and families avoid the struggles of living with financial insecurity and poverty. The effectiveness of Universal Credit as a safety net to protect women, children and families from poverty has been undermined due to the widely reported design problems with the benefit.

One of the most problematic and widely reported design flaws with Universal Credit is the initial 5-week wait for the first payment. This wait has caused claimants severe financial and emotional distress and caused many to struggle to afford basic essentials, use foodbanks and get into debt. This was widely reflected in this research particularly among lone-parent families with many of the women finding it hard to recover from the hardship caused by the 5-week wait. This was further compounded by having to repay Advance Payments to get them through the wait effectively meaning that they started their Universal Credit journey in debt.

Unfortunately, problems with Universal Credit also impacted negatively on children within these families. Growing up in poverty significantly impacts early childhood development and has long lasting physical, educational and mental impacts on children. Women are often described as the ‘shock absorbers’ of poverty in

¹²² #5WeeksTooLong, Why we need to end the wait for Universal Credit, The Trussell Trust, September 2019
https://www.trusselltrust.org/wp-content/uploads/sites/2/2019/09/PolicyReport_Final_ForWeb.pdf

households protecting their children and other family members from the effects of poverty. It is evident that despite the best attempts of some of these women they were unable to protect their children from the adverse impacts of Universal Credit and this caused them great distress. It is evident therefore that problems with Universal Credit can have much wider adverse impacts and the potential to affect the life chances of future generations.

Figures released by the Office for National Statistics in August 2020 show that the UK is now officially in the 'largest recession on record' as a result of the Coronavirus pandemic. The UK suffered its biggest slump on record with the economy shrinking 20.4% compared with the first three months of the year. The UK's slump is one of the biggest among advanced economies.¹²³ There is no doubt that this economic slump will lead to more job losses in the coming months particularly as the forbearance measures are withdrawn.

The economic fallout of the pandemic has meant that many more households are being forced to claim social security benefits for the first time. There have already been huge increases in the number of Universal Credit claimants and this number is likely to increase even further as a result of the recession. This will expose more and more people to the flaws inherent within Universal Credit. It will also put a focus on the ability of Universal Credit to provide for families so that they can weather this storm.

It is therefore imperative that Government take action to prevent another wave of families being swept into hardship. There are changes which could be made to the design of Universal Credit that would really help to provide effective support to claimants most notably around the 5-week wait. Locally there are avenues of help available through the Contingency Fund but many people do not know about it resulting in a significant underspend. This report presents a series of recommendations which if implemented would help to ensure that Universal Credit provides compassionate support to people when they need it most. If Government

¹²³ <https://www.bbc.co.uk/news/business-53748278>

are serious about helping people get back on their feet this must be backed up by action on these issues not just rhetoric.

The mitigations package has been important for women in Northern Ireland. A report by the NIHRC proposed an effective mitigations package from 2020 which incorporated some of the existing mitigations. It showed that the biggest average positive impact from the mitigations package as a whole would be for women aged 25 to 44 with total average gains of between £300 and £350 per year.¹²⁴ This shows the potential for local action by the Northern Ireland Assembly to strengthen the existing mitigations package to account for new challenges such as Universal Credit. This would undoubtedly help to protect the many women who are so negatively impacted by it.

Women have been disproportionately impacted by welfare reform and austerity policies with many government policies, though seemingly gender-neutral, having profoundly gendered impacts. In particular Universal Credit has been described as discriminatory by design against women. Women's socio-economic status and concentration in lower paid, part-time and insecure work leaves them particularly vulnerable to job loss and reductions in working hours. Traditional gender roles do little to protect women from low incomes with pressures of caring responsibilities and childcare costs limiting their ability to increase their income. Women are therefore more likely to have to rely on social security benefits including Universal Credit.

It is likely that many more women will be forced to rely on the help available through Universal Credit due to reductions in working hours and job losses as a result of the Coronavirus pandemic. It is imperative that as society emerges from the Coronavirus pandemic and resulting recession that women must not pay the price as they did for the previous financial crash. Women have already suffered immensely due to a decade of austerity policies and this must not be allowed to happen again.

¹²⁴ Cumulative impact assessment of tax and social security reforms in Northern Ireland, Northern Ireland Human Rights Commission, November 2019
https://www.nihrc.org/uploads/publications/Final_CIA_report_Oct_2019.pdf

“There is no gender-neutral pandemic and this one is no different. Women are affected not just by the virus or the disease, but by the circumstances surrounding it.”¹²⁵

The experiences of the women detailed in this report, and indeed the experiences of many claimants detailed in a myriad of other research, must be used in a constructive way to help fix the design problems that have created so many problems and hardship for Universal Credit claimants. It will only be through listening and learning from their experiences that Universal Credit can be changed to provide genuine support to claimants when they need it most.

“To design a social security system that truly acts as an anchor in turbulent times, we must work directly with those experiencing the system and reflect their experience back through compassionate and just design.”¹²⁶

These observations, findings and conclusions have informed the formulation of policy recommendations in relation to Universal Credit and women. These recommendations are set out below following a summary of the research paper’s key findings.

Summary of Key Findings

- The majority of the women participating in this research had a negative experience of Universal Credit. Of the small number who had a more positive experience they felt that this was because they had good computer skills or because they had experience working in the advice sector.
- 32% of the women had applied for Universal Credit as a result of the Coronavirus pandemic due to job loss, reductions in working hours and reduced opportunities to get work.

¹²⁵ Phumzile Mlambo-Ngcuka, Head of UN Women quoted in The Key to an Inclusive Recovery? Putting Women in Decision-Making Roles, New York Times, August 2020

<https://www.nytimes.com/2020/08/09/us/covid-women-girls-gender.html>

¹²⁶ Universal Credit could be a lifeline in Northern Ireland, but it must be designed with people who use it, Ruth Patrick and Mark Simpson, with UC:Us, Joseph Rowntree Foundation, June 2020

<https://www.jrf.org.uk/report/universal-credit-could-be-lifeline-northern-ireland-it-must-be-designed-people-who-use-it>

- For the women who had not applied as a result of the Coronavirus pandemic the most common reason for applying for Universal Credit was the birth of a new baby (28%), change of relationship status (18%), change or loss of job (16%) or having caring responsibilities (8%).
- 74% of the women reported problems applying for Universal Credit some of them were able to resolve the problems themselves (37%), some needed help to make their application (28%) and a smaller number found the process unmanageable (9%).
- 61% of the women who had experienced problems applying for Universal Credit felt the process was too long and 32% reported that they had difficulty understanding it.
- Many of the women (63%) said they did not need help to make their application. For those who did need help (37%) the most common source of help was through the Jobs & Benefits Office/local Social Security Office or from an advice centre, friend or family member.
- The majority of the women (77%) reported that they had waited the stated five weeks for their initial payment with 17% waiting longer than five weeks. The reasons given for the longer wait were problems uploading documents on the system and delays in getting responses to queries.
- Almost all of the women reported negative impacts due to the five-week wait for Universal Credit. Many had needed to borrow money from family members/friends (61%) or lenders (25%) to survive. Some had been forced to cut back on food/essentials to make ends meet (53%) and others had resorted to selling their possessions (18%) or using a foodbank (16%).
- The personal impacts of the five-week wait were severe with 89% of the women suffering stress/anxiety as a result of the wait and the worry about how they would provide for their families. Others reported getting into debt or further in debt (51%) and getting behind with their bills (42%). Sadly, some of the women reported that the five-week wait had impacted negatively on their children (39%) or that they had felt cold/hungry (30%) due to a lack of money.
- 58% of the women had applied for an Advance Payment to get them through the five-week wait. Of those who had taken an Advance Payment 42% were experiencing difficulties paying it back.

- The most common reason given by the women for not taking an Advance Payment was the fear of getting into debt/further debt. Others reported being afraid that they could not meet the repayments.
- 86% of the women had not heard about the Universal Credit Contingency Fund which is paid as a grant and is therefore an important area of help for people suffering hardship as a result of Universal Credit. Of the small number who had heard about the Contingency Fund most had heard about it from a family member/friend or from the Jobs & Benefits/local Social Security Office.
- Only two women who took part in the research had received help through the Contingency Fund.
- Most of the women (82%) had not experienced any problems with childcare costs through Universal Credit. Of the 18% who did experience problems these mostly concerned the necessity of having to pay upfront fees to the childcare provider while waiting on help being paid through Universal Credit.
- 39% of the women felt that they were worse off on Universal Credit than on their previous benefits. The amounts ranged from relatively small amounts to hundreds of pounds worse off. Just 18% felt they were not worse off.
- Most of the women had received a response to a message on their Universal Credit journal either the same day (9%) or in one to four days (66%). The most common problems reported with the journal were not being able to speak to a person about the claim, not getting questions answered properly and receiving generic replies to their messages which left them confused.
- The majority of the women reported that support to get through the five-week wait would have helped them get through the Universal Credit process better. 84% felt that making the Advance Payment a grant rather than a loan and 75% felt that a shorter/no wait for the initial payment would have helped them. Some women reported that being able to apply in person or by telephone rather than primarily online would have helped them with the process.
- Some of the women felt degraded by the Universal Credit process and reported feelings of worthlessness and low self-esteem.
- Many of the women felt that the amount they received on Universal Credit was inadequate to live on forcing them to go to foodbanks and getting into debt.

- The way that the Universal Credit assessment periods work caused huge frustration for some of the women who were worried about two pay days falling within the assessment period and adversely impacting on their claim.
- Some of the women reported stress and frustration because they never knew when they were going to receive their payment and how much Universal Credit they were going to receive each month. This made planning and managing household budgets even more difficult.
- A number of the women reported problems getting their Universal Credit questions answered by staff, sometimes this was due to insufficient training on the benefit or due to delays in getting responses back from staff members.
- Some of the women reported experiencing arrears with their housing payments as a result of Universal Credit. For those in private rented accommodation this was particularly worrying due to a lack of security of tenure.

The recommendations that follow from these findings are set out below:

Recommendations

- ♀ As society emerges from the Coronavirus pandemic and the resulting recession it is imperative that women do not pay the price as they did for the previous financial crash. Part of the solution must be to ensure that the benefits system (particularly Universal Credit as the Government's main welfare provision) provides sufficient support to the large numbers of women likely to be impacted by the crisis due to existing gender norms. **We recommend that in its recovery response Government should apply an intersectional gender lens to social security policy, particularly in relation to Universal Credit, so that policies are developed and implemented to specifically support women who have been impacted by the Coronavirus crisis.**
- ♀ Too often Universal Credit does not provide sufficient income for women and their families to afford the basic essentials of life. While the economy and labour market recovers from the Coronavirus pandemic it is vitally important that the social security system provides a safety net for families. We welcome the fact that Government increased the standard allowance of Universal Credit for one year to help people during the pandemic. **The Women's Regional Consortium recommends that the increase to the standard allowance of Universal Credit should be made permanent to help protect claimants from poverty and allow them to meet their basic living costs. We also recommend a further £20 per week increase to the child element of Universal Credit to specifically support families with children through the crisis and as we emerge from it.**
- ♀ The Universal Credit five-week wait causes severe hardship, debt and distress and has further negative consequences for children. Repaying Advance Payments pushes many claimants into hardship well beyond the initial claim period and starts claimants off on their Universal Credit journey in debt. **The Women's Regional Consortium recommends an end to the five-week wait. While the five-week wait remains we recommend that Advance Payments are turned into non-repayable grants instead of loans to help prevent**

claimants getting into hardship and debt. Locally, we back calls from the Cliff Edge Coalition for the DfC to consider providing an automatic grant from the Universal Credit Contingency Fund for all those who are claiming Universal Credit for the first time.

- ♀ It is clear that many women are unaware of the valuable help available through the Contingency Fund for Universal Credit. Claimants are being offered loans through Advance Payments but not being told about the possibility of accessing non-repayable grants through the Contingency Fund unless they know to explicitly ask about this. **We recommend that the DfC should do much more to inform claimants about the help available through the Contingency Fund and should work to simplify the process for claiming this help as much as possible.**
- ♀ We welcome the action taken by the DfC to temporarily suspend the recovery of benefit overpayments and loans from a range of benefits including Universal Credit in response to the Coronavirus pandemic. However, this did not apply to the recovery of Universal Credit Advance Payments which continued to be made and which have caused hardship to many claimants. **We recommend that given the ongoing nature and extent of this crisis the suspension of the recovery of benefit debt should be extended beyond three months. This suspension should include the recovery of Advance Payments on all new claims for Universal Credit for at least six months. This would help to ease the financial pressures that come with unemployment and living on a reduced income.**
- ♀ We believe the two-child limit is an attack on women and low-income families and risks pushing more families and children into poverty. **We recommend the removal of the two-child limit in Universal Credit and Tax Credits. Locally we back calls from the Cliff Edge Coalition for the DfC to provide an additional payment to families who have children and who are impacted by the two-child limit.**
- ♀ The Benefit Cap mitigation is only available to those claiming benefits when it was introduced. Most of those impacted by the Benefit Cap are women given that the majority of lone parents are women. **The Women's Regional Consortium also backs the call from the Cliff Edge Coalition that the**

Benefit Cap mitigation should be available to all new claimants who were not in receipt of the relevant benefits in 2016.

- ♀ Upfront childcare costs act as a significant barrier to work for many families especially for lone parents. **The Women's Regional Consortium backs the recommendation from the Work and Pensions Committee that the DWP should develop Universal Credit's systems to enable childcare costs to be paid directly to childcare providers. This would alleviate the problem of prohibitive upfront costs, help claimants with budgeting, and give providers themselves much-needed certainty of income. Direct payments would also substantially reduce the risk of fraud and error.**
- ♀ The payment of Universal Credit into a single bank account has the potential to leave women without access to money trapping them in situations of poverty and violence. **The Women's Regional Consortium recommends that split payments of Universal Credit are the default option and that the DfC should carry out awareness raising work with claimant support organisations to advertise this option.**
- ♀ Transitional Protection is an important safeguard for claimants. **The Women's Regional Consortium recommends that Government take steps to ensure anyone who has inadvertently left themselves worse off by claiming Universal Credit or because of an incorrect Department decision is returned to their previous benefits or have their Universal Credit awards topped up to the level of their previous benefits. They should also have their entitlement to transitional protection for any future move to Universal Credit by managed migration restored.**
- ♀ Some claimants have found the process of making and managing their Universal Credit online particularly difficult. There should be an acknowledgement that not everyone has the ability to cope with an online process and that others struggle with access to the internet (particularly in rural areas) and the necessary technology with which to make claims. **We recommend that the process of making and managing Universal Credit claims should be more user-friendly providing more options for claimants who struggle with the online process. This should include the availability of more face-to-face contact to provide additional support to those who need it.**

- ♀ Given the complexity of Universal Credit and the benefits system in general it is important that Universal Credit staff members give accurate and timely information to claimants. It is also important that claimants have access to free, independent advice in relation to their claims particularly if they experience difficulties or struggle to understand the process. **The Women's Regional Consortium recommends that Universal Credit staff members are well trained in the benefit and sufficiently resourced to answer queries on time. We also stress the importance of claimants having access to free, independent advice and recommend specific funding for community level information, advice and advocacy work that reaches out to those who are the most vulnerable and marginalised to ensure they can access their rightful entitlements.**
- ♀ The welfare reform agenda and now the Coronavirus pandemic has created a crisis situation where women need more help in the form of support, education and advice however support services for women are under serious threat from funding cuts with many organisations reducing services, losing staff or closing altogether. To compound this funding deficit it is feared that Brexit will also mean the loss of valuable EU funding. **The Consortium recommends that government should ensure proper recognition of, and support for, the role of community-based women-only provision in addressing women's vulnerability and poverty in rural and disadvantaged areas. This should include a commitment to increase and provide longer-term funding for women's organisations to enable them to continue and develop the vital services they provide in these increasingly difficult times.**