

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2373

Title: Migration of Londoners on to Universal Credit

Executive Summary:

This ADD seeks approval to procure a project to clarify the role the GLA can play in supporting organisations who are helping disability benefit recipients to claim Universal Credit (UC) or navigate the UC migration process. We are seeking to identify easily understandable messages or resources that can be targeted at organisations to ensure they are best able to advise claimants as they navigate the complex migration process.

This ADD builds on MD2461 which delegated authority for approving expenditure within the overall spending envelope for Communities & Social Policy Programme Budget.

Decision:

That the Assistant Director of Communities & Social Policy approves:

Expenditure of up to £20,000 in financial year 19/20 to procure services to develop the GLA's understanding of the organisations that support disability benefits claimants moving onto Universal Credit and how the GLA may assist these organisations.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Kathleen Kelly / JEANETTE BAIN-BURNETT

Position: Assistant Director,
Communities & Social Policy

Signature:



Date:

14/10/19

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Universal Credit (UC) is the Government's flagship welfare policy, replacing six separate benefits ('legacy benefits') with a single monthly payment in arrears¹. The way in which UC has been implemented has been reported as causing hardship for many claimants, both in London and the rest of the UK.
- 1.2 Over 400,000 people in London and Essex are currently claiming the new benefit (which is the highest number of any region in the UK)². The roll out of UC to all Jobcentres in the country was completed in December 2018. The start of the process of 'managed migration' – where a claimant of legacy benefits is moved onto UC, *without* any change in circumstances such as moving home – is currently being trialled in Harrogate. In the meantime, legacy benefit claimants are usually required to make a new claim for UC if they have a change of circumstances. This is known as 'natural migration'.
- 1.3 Multiple factors have contributed to UC not working as intended, including central government cuts to core funding and underlying problems with the IT system³. Evidence has shown that delays to payments and problems with the claim process have in some cases pushed vulnerable people unnecessarily to the brink of homelessness⁴. New claimants to UC are all signposted to the Citizens Advice 'Help to Claim' service⁵, but we know that many are still being supported by small voluntary and community sector organisations who will struggle to navigate the migration process.
- 1.4 The process of natural migration has its own specific problems, including the absence of any transitional protections that people who go through managed migration process will receive. This can result in a sudden drop of income, as well as the absence of proactive support in making the new claim for UC.
- 1.5 Some problems with UC specifically affect recipients of legacy disability benefits such as Employment & Support Allowance (ESA). For example, ESA claimants who are required to make a new claim for UC are supposed⁶ to move onto the new benefit's equivalent level of support without having to undergo a new work capability assessment (WCA). But there is anecdotal evidence⁷ that some claimants are incorrectly being required to undergo a WCA when they should not have to. This can be a distressing and unsupported experience for benefit claimants – especially those with mental health conditions⁸.
- 1.6 The Mayor of London has warned that the Government's proposals for roll out of UC pose a significant threat of harm being caused on a much larger scale⁹. He has also committed to do everything in his power to support disabled Londoners, including by advocating on their behalf on issues relating to welfare benefits. The recent findings from the GLA's cumulative impact assessment

¹ Universal Credit replaces the following six 'legacy benefits' with a single monthly payment: Income-Based Job Seeker's Allowance (JSA), Income-Related Employment and Support Allowance (ESA), Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit.

² As at 8 August 2019 according to Department for Work and Pensions statistics: <http://dwp-stats.maps.arcgis.com/apps/MapSeries/index.html?appid=f90fb305d8da4eb3970812b3199cf489>

³ For example, see Child Poverty Action Group's (CPAG) series of briefings and reports on the problems with UC: <https://cpag.org.uk/policy-and-campaigns/universal-credit>

⁴ <https://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/inquiries/parliament-2017/inquiry/>

⁵ <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/citizens-advice-launches-new-service-for-people-applying-for-universal-credit/>

⁶ https://www.rightsnet.org.uk/?ACT=39&fid=3&aid=1550_KAJKkJEOBUeg1NmSA4T&board_id=1

⁷ <https://www.rightsnet.org.uk/forums/viewthread/11307>

⁸ <https://www.mind.org.uk/media/1830016/mental-health-sector-response-fifth-independent-review-wca.pdf>

⁹ <https://www.london.gov.uk/press-releases/mayoral/mayor-calls-on-government-to-halt-universal-credit>

of welfare reforms¹⁰ showed that London households where someone is disabled they stand to lose out substantially as a result of tax and benefit changes. The Mayor wrote to the Secretary of State to raise the results of this analysis and to call for policy changes as a result¹¹.

- 1.7 GLA are keen to understand how the Mayor could complement this activity and play a more active role in supporting the Voluntary and Community Sector (VCS) organisations that assist claimants in navigating the welfare benefits system. This ADD builds on MD2461 which delegated authority for approving expenditure within the overall spending envelope for Communities & Social Policy Programme Budget

2. Objectives and expected outcomes

- 2.1 The objective is to clarify the role the GLA can play in supporting organisations who are helping disability benefit recipients to claim UC or navigate the UC migration process.
- 2.2 Specific tasks will include mapping the organisations working with JobCentre Plus in London to support claimants of ESA currently migrating onto UC and identify messages or resources which could assist these organisations in delivering this support.
- 2.3 The results will help the GLA provide further support to low-income and Disabled Londoners, as well as the VCS organisations set up to support them. It may also inform further insight into how UC should be rolled out in London which the Mayor can call on the Department for Work and Pensions to enact.
- 2.4 The immediate outputs expected from the research will be a written summary, main report of findings and slide deck setting out key findings and recommendations. The successful bidder will also be expected to provide a verbal briefing on the proposals to the Mayor and Deputy Mayor's Office and relevant stakeholders.
- 2.5 The project outcome will be a clearer understanding of the role the Mayor can play in achieving his objective to better support Disabled Londoners and reduce the inequalities they face in terms of financial hardship.

3. Equality comments

- 3.1 Recent research conducted by GLA demonstrates the disproportionate financial difficulties facing Disabled Londoners. The Survey of Londoners found that Disabled Londoners were disadvantaged on all the economic fairness measures it examined. 25% cannot keep their homes warm in the winter and 37% report debt repayments as a serious burden. This adds to the findings already uncovered by the GLA's Cumulative Impact Assessment.
- 3.2 The Mayor's Equality, Diversity and Inclusion (EDI) Strategy¹² contains a number of specific objectives which broadly align with particular aspects of the aims of this project:

Objective 5 – Homelessness: “To work with councils, government, the voluntary sector and communities to make preventing homelessness a priority and make sure that people who lose their home are helped into sustainable accommodation.”

¹⁰ <https://data.london.gov.uk/dataset/welfare-reform-2019>

¹¹ <https://twitter.com/mayoroflondon/status/1151461122387656704>

¹² <https://www.london.gov.uk/sites/default/files/mayors-equality-diversity-inclusion-strategy.pdf>

- Our stakeholders have reported that many Deaf and Disabled people are destitute, unable to pay for food, fuel and rent because of UC¹³.

Objective 13 - Child poverty: “To work with government, boroughs... to help address the root causes of child poverty. These include... the welfare system.”

- This is informed by evidence that some BAME groups, migrants and families with non-working mothers are at greater risk of living in poverty; and that women and children – especially those from BAME groups – and disabled people have lost out from welfare reforms.
- The findings of the GLA’s cumulative impact assessment of welfare reforms show that households with children will lose the most of all household types – particularly those households headed by lone parents. The impact assessment also found that child poverty would be significantly higher in London.

Objective 33 – Physical health: “To lead, and help co-ordinate, work to understand and address health inequalities and support at-risk communities to increase their health skills, knowledge and confidence.”

- This is informed by evidence of the link between welfare reforms and issues such as food poverty and debt and mental health issues. These aspects of poverty have been linked to UC and will have knock-on effects for physical health.

3.3 The evidence gathered from the Survey of Londoners, Cumulative Impact Assessment, as well as that underlying the EDI Strategy, demonstrates the need to focus on the financial hardship disproportionately affecting Disabled Londoners. This project would therefore support the GLA’s Public Sector Equality Duty to advance equality of opportunity.

3.4 The GLA will ensure that the procurement meets the Public Sector Equality Duty.

4. Other considerations

Links to Other Mayoral Strategies and Priorities

4.1 Links to other work on poverty impacting on Disabled Londoners include:

- The Economic Development Strategy which considers how the high costs of living in London can create barriers and how those on lower incomes often pay more for essential goods and services (a poverty premium) – which again disproportionately affects disabled households.
- Fuel Poverty Action Plan –Disabled people are one of the key groups where fuel poverty is a concern.
- A recently established Economic Fairness team at City Hall that deliver a range of pledges through an Economic Fairness work programme. This team also convenes the Economic Fairness Steering Group.
- The Food Strategy¹⁴ which includes a specific section on reducing food insecurity, considering the role of poverty and inequality in what we eat.
- Health Inequalities Strategy¹⁵ which considers the wider determinants of health, including wealth and income.

¹³ <https://www.inclusionlondon.org.uk/campaigns-and-policy/facts-and-information/welfare-reform/inclusion-londons-position-statement-on-universal-credit/>

¹⁴ https://www.london.gov.uk/sites/default/files/final_london_food_strategy.pdf

¹⁵ https://www.london.gov.uk/sites/default/files/health_strategy_2018_low_res_fa1.pdf

Risk Management

- 4.2 Consultants could experience difficulty working with Jobcentre Plus and infrastructure organisations. To mitigate this risk, as part of the tender process we will consider how applicants have experience of engaging with the benefits infrastructure landscape, or equivalent sectors. We will use connections through the GLA to help the consultant contact relevant agencies.
- 4.3 This research risks being seen as a bid to undermine Government policies. However, the GLA can point to evidence indicating that the migration onto UC has posed problems for Disabled Londoners and should be investigated further.

Conflicts of interest

- 4.4 There are no conflicts of interest to note for any of those involved in the drafting or clearance of the decision.

5. Financial comments

- 5.1 Approval is being sought for expenditure of up to £20,000 to procure consultancy services to produce a report on the migration of Londoners on to the Universal Credit benefits system.
- 5.2 This expenditure will be funded from the Social Mobility Low-income Londoners 2019/20 programme budget, held within the Communities and Social Policy unit.

6 Planned delivery approach and next steps

| Activity | Timeline |
|-----------------------------|-----------------|
| Invitation to tender issued | October 2019 |
| Deadline | November 2019 |
| Interviews (if necessary) | November 2019 |
| Delivery Start Date | November 2019 |
| Draft outputs | January 2020 |
| Final outputs | February 2020 |

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason:

This report contains information which, if published before the completion of the procurement of services required, would prejudice the GLA's commercial interests in stimulating genuine competition for such services and securing best value which is not in public interest.

Until what date: after the contract award or by 31st March 2020.

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Dan Drillsma-Milgrom has drafted this report in accordance with GLA procedures and confirms the following:

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 14 October 2019.

ASSISTANT DIRECTOR OF FINANCE AND GOVERNANCE:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date

14.10.19