

Motion to Council

Universal Credit

This council notes:

That Universal Credit, the single monthly payment which replaces the six current working age benefits, is to be fully implemented in Newcastle in 2018.

This council also notes that within our area the number of people affected is likely to be in the thousands.

Council notes with concern that the move to a Full Service Universal Credit in other parts of the country has caused considerable financial hardship for many of those people moving onto this new system of benefit payments.

Before a full roll-out of Universal Credit the following problems need to be addressed:

- **The six -week wait for claimants to receive their benefits.**
The idea that all workers are in jobs where they are paid a month in arrears ignores the reality for the 1.5 million workers who struggle on zero hours, insecure jobs or forced self-employment. Claimants need to be paid from day one.
- **Payments going to one named member of a household.**
Many claimants struggle to budget and payments should be paid to the separate claimants within a household and on a fortnightly rather than a monthly basis. With the present policy there is real danger that if the whole benefit goes to one named individual there is no guarantee that the money will be distributed fairly within the household.
- **Claimants need to have their rent paid directly to landlords** to avoid the unacceptably high levels of arrears and homelessness that have occurred in the areas where UC already exists. Pushing claimants into debt adds to the stress and insecurity for the claimants.
- **An end to benefit sanctions** as there is no evidence that sanctioning helps people into work. In fact taking away claimant's ability to feed themselves and their families prevents them from focusing on finding employment as they are too busy trying to survive. The evidence of the harm that sanctions cause is growing – they are an unnecessary cruelty in our benefits system.
- **Allow all new claimants to apply for Universal Credit in job centres supported by trained job centre staff.**
Forcing new claimants to apply on-line causes real problems for many people who don't have either access or the IT skills to cope with the complex online application. The use of a paid helpline also needs to be abandoned as claimants cannot afford the expensive rates charged. The planned job centre closures also need to be reversed as claimants need face to face support to help them back into work and to deal with the complexity of Universal Credit.

- **Abandon the in-work conditionality for part-time or low paid workers** – the idea that there are extra hours or higher paid work for large numbers of those affected workers is simply not the case.
This clause of UC places the emphasis on individuals who often want greater number of hours of work – and not on the employers who benefit from short hours and insecurity.
- **The overall level that UC is funded needs to be urgently increased.** The rate at which some claimants will lose benefit is set at 63p in the pound which when compared with the top rate of income tax of 45% on incomes over £150,000 a year, demonstrates just how unfair UC is for the lowest income households.

This council notes with concern, therefore, that the implementation of a Full Service Universal Credit in the borough is likely to prove seriously detrimental to the health and wellbeing of thousands of its local residents.

The council therefore resolves:

To request all its political group leaders to jointly write to the Secretary of State for Work and Pensions asking that the system of Universal Credit is redesigned in such a way that it removes the inherent risks that this council has expressed its concerns over.

Proposed: Cllr Allison Gardner
Seconded: Cllr Mark Olszewski