

Good evening Councillors,

My name is Jeni Meadows and I am the Schools and Family Advisor at Citizens Advice North Lancashire. For those who are not already aware, Citizens Advice North Lancashire is a local charity, part of the national Citizens Advice network. We offer free, confidential and impartial advice and last year we helped over seven thousand residents with a wide range of issues. This year, in January alone, we saw over one thousand, three hundred residents, many of whom are struggling with the cost of living. That figure is the highest it has been in the last five years, and the service as a whole is continuing to break unwelcome records, as residents on the lowest incomes struggle to afford the essentials.

This evening I would like to talk to you about a motion coming to full council later on - item twelve on the agenda. **My colleagues and I believe that Universal Credit suffers from a deeply-rooted administrative problem which we believe is unfair.**

In the upcoming financial year there will be 53 Mondays. It is a quirk of our calendar system that a year with 53 Mondays in it, rolls around every 5-6 years or so. Weekly rent payments are billed on Mondays, and as such, when this happens, those who pay their rent weekly have an extra week's worth to pay. At the moment, Universal Credit does not cover this extra week.

In January, whilst researching a housing issue, I realised that the 2024/25 Financial Year is one with 53 Mondays in it. I had been speaking with a client who came to me with a problem to do with rent arrears. Let's call her Suzie. It became clear to me that Suzie was calculating her housing costs incorrectly, because the Housing Element of her Universal Credit did not match what her actual rent would be in 2024. Suzie is a single mum, on a low income, with young children, and she is already extremely worried about paying for all the essentials that she and her children need. Finding the extra money she needs to meet her rental costs this year was just an added stress for her.

Current legislation means Universal Credit is calculated by multiplying weekly rent payments by 52-weeks, or 48 for tenants who have 4 rent-free weeks. This means that when a resident pays rent weekly, they will make either four or five payments in a month.

When we have a 53-week rent year, like this one, residents will be underpaid by Universal Credit in the months they make five rental payments. Universal Credit's systems cannot accommodate the 53rd (or 49th) week. As far as Universal Credit is concerned, this extra week does not exist. For many residents, this will mean they're short on rent by a week and will have to find this rent in money that's supposed to be spent on other essential bills. For a 3 bedroom house in our District, this will cost them an extra £138 and eight pence. **That may not sound**

like a lot, but for people on a low income, that is a significant sum of money to find out of nowhere.

Citizens Advice North Lancashire is deeply concerned about this and believes this is administratively unjust. This will likely affect those on the lowest incomes in our District at a time when household budgets are already stretched. Residents on lower incomes are unlikely to have an extra week's rent to spare and as an advisor it is very difficult to explain to a client that they will have to find an additional week's rent out of nowhere, just because of a quirk in our calendar.

It is only right that the Department for Work and Pensions update the Universal Credit system to account for this 53rd Monday, so that we avoid this happening again. The cost of living crisis is still with us. **This will have an impact on wider services in the community including Citizens Advice and other charities, like our Food Banks and food clubs, who are all under considerable pressure, and are already going above and beyond to support our residents through these difficult times.**

To solve this problem, we're asking the Government to make changes to the Universal Credit system through a legislative amendment. We urge the Department for Work and Pensions to take action on this, to make sure residents of social housing aren't left short during a cost of living crisis. If Lancaster City Council and as many other local councils as possible can put pressure on the DWP to act, the more

likely we are to succeed in changing this unfortunate and unfair situation in the years to come.

I must thank Lancaster City Council's Housing department, who are fully aware of the situation and have communication plans in place to let tenants know that this is happening. And they have been very helpful when providing information to myself, and my Citizens Advice colleagues on this.

Universal Credit suffers from a number of systemic issues that need to be addressed, but this is one that we at Citizens Advice North Lancashire wanted to urgently bring to your attention at a time when so many of our clients are struggling to afford the essentials.

Finally, as I mentioned earlier, we are aware that a motion on this topic is being brought to full council later this evening, and we wanted to share our insights into this problem ahead of the discussion. We hope you will agree with us that this is an unfair situation that must be addressed. Thank you.