

Submission on behalf of the European Minimum Income Network (EMIN), a project of the European Anti-Poverty Network (EAPN). For further information contact Dr Katherine Duffy, k.b.duffy@dmanthony.plus.com; T 0044 (0)1530 245310 or 0044 (0)7753824944

Poverty Alliance (EAPN in Scotland) is submitting separately.

GENERAL

Q1

[EAPN](#) and its [EMIN](#) project use 60% of median household income which is part of the EU [AROPE](#). We use other individual elements of the combined AROPE including severe material deprivation. We use an expenditure-based measure to reality-test whether income is meeting needs: see [CRSP](#). Falling median income can disguise the extent of material poverty.

Advantages of the 60% of income measure:

- tracks trends
- shows how people at risk of poverty are sharing in general wealth
- allows cross-national comparison of a 'poverty-line'
- concretizes our ambition for social assistance incomes

Q2

- UK government's official poverty indicator is child poverty. We dislike this narrow approach; there are no rich children in poor families
- The previous child poverty indicators included income. The current Government focus is worklessness. Paid work is not a sustainable route out of poverty for many people most at risk. The indicator flatters UK achievement as we have a high labour force participation rate but widespread low pay and insecure employment
- Reinstate the previous child poverty indicators plus a broader set (see Q1)

Q6

The East Midlands, including Leicester. The city is the first majority-minority city in England. It has an inner-city ward that is 27th most deprived in England, mainly people of south-Asian origin and Muslim faith. There are city centre migrant and refugee communities and poor outer suburbs, often white and English. Wages are low and inactivity high; education and health outcomes are poor. It has had severe central government grant cuts. Full-service UC rolled out in June 2018. The city voted narrowly remain in the Brexit referendum. The shire counties especially Derbyshire and Lincolnshire, are areas of declining engineering, coal, agriculture and fishing industries. They voted heavily Brexit, but the East Midlands will be one of the most highly exposed areas for trade after Brexit.

Q7

- Contact with grass roots groups in England: Katherine Duffy UK EMIN coordinator, k.b.duffy@dmanthony.plus.com; Nazek Ramadan, Migrant Voice nazek@migrantvoice.org; Colin Hampton, [Derbyshire Unemployed Workers' Centres](#), Colin.Hampton@duwc.org.uk; Gail Ward, Disabled People Against the Cuts jackspratt54@hotmail.co.uk; Hassan Ali,

Leicester Community Services, leicestercommunityservices@gmail.com ; ATD Fourth World, T 0044 (0)2077033231

- [East Midlands Hearing/ round tables](#): Sir Peter Soulsby, City Mayor of Leicester, TheMayor@leicester.gov.uk; Rory Palmer, MEP, rory.palmer@europarl.europa.eu; Ruth George, MP, ruth.george.mp@parliament.uk; Jon Ashworth, MP; jon.ashworth.mp@parliament.uk; Shaun Pender, Unite Community, Shaun.Pender@unitetheunion.org; Donald Hirsch, Centre for Social Policy, donald.hirsch@googlemail.com; Katherine Duffy, as above

AUSTERITY

Q8

Not necessary. The macroeconomic model is based on the assumption of cut to grow, ignoring Keynesianism. See [IFS](#)

Q9

No. UK has the highest ratio of expenditure cuts to tax rises (approx. 85:15); the major burden has been borne by women, children and people with a disability. Young people have suffered from lack of access to stable jobs due to slow unbalanced growth and rising tenure.

Q10

- Child poverty was falling, now rising and will rise another one million. The tax/benefit support for children is cut and there is a 4-year benefits freeze. Increases for over 25s in the national minimum wage and in the childcare offer, compensate for one quarter of cuts in tax/ benefit support for low incomes
- Rough sleeping and homelessness were falling, now rising, due to cuts in services in a broken housing market See [CRISIS](#) and [SHELTER](#)
- Food banks are becoming an integral part of social support, signposted from Job Centre Plus
- Relative income poverty trends have been mixed – partly due to changes in the wage structure, including increase in the national minimum wage and compression of middle-income wages. The main relative income measures exclude the very richest 0.1% and the very lowest incomes. Expenditure-based measures show worse poverty outcomes. Wealth is more unequally distributed.
- Severe grant cuts to NGOs and other civil society organisations, especially advocacy groups and grass-roots groups, has meant overwhelming pressure on civil society, closures and reduced services, and, often faith groups as the only remaining provider – e.g. food banks
- 2 examples in Leicester show pressure at the grass-roots 1) a grassroots group in a poor minority area ran a 3-days a week school holiday food scheme, with food from Foodshare. The initial food was unsuitable, so they bought their own food. Because of the requirement for criminal records checks for non-parent carers, mothers had to come with the children, a positive in promoting healthy eating, but the small team had to again buy from their own pocket £150 worth of games from charity shops, so the mothers had activities they could do with the children. It worked well, but reached 40 families, with no obvious resource to extend in future. 2) UNITE the Union has considerable resources and campaigns nationally to stop UC. But the Community branches of UNITE for unemployed, students, retired and some gig workers have each just a few hundred pounds at their own disposal. Members want to better inform UC claimants, as they feel migration to UC is happening with inadequate information and support from existing sources, to the detriment of claimants and to those

encouraged to 'migrate' to UC, even if their circumstances have not changed and it is not required. Members have been leafletting outside Job Centres, ran activists' meetings and had a training day to help people 'buddy' at assessments and tribunals. They are seeking from UNITE resources to provide a signpost service one day a week. The volume of work is difficult to sustain on a voluntary basis.

Q11

- Economic and social rights: UC: See UC statement by Gail Ward a disability activist, and SSAC submission by and M Zolobajluk and G Ward, plus UC statement by Kathy K, living long term on disability benefits/ UC, all attached.
- Civil and political rights are breached for temporary agency workers and zero-hours workers (more of whom are minority ethnic group, migrant, young) and the self-employed. Exclusion from rights to organise, not having written contract terms, or any guarantee of work and intrusive monitoring are all prevalent. See attached IWGB plus [DUWC](#) on precarious workers

Q12

Cities and shire counties have faced up to 50% cuts in central government grant (to be eliminated in the early 2020s). Poorer places suffer most due to higher need, new metrics and lower funds from business rates; some lost six times as much as richer councils (JRF 2015). In Leicester, libraries are cut in staff and opening times, building-based youthwork is eliminated, provision for homelessness is cut back, Sure Start centres for disadvantaged children are closed or much reduced, payments to care homes for the elderly and disabled risk being below cost, public buildings and public spaces are closed and sold, privatised or rely on volunteers. The local authority welfare rights service has faced cuts, requests for voluntary redundancy, reissuing of the contract for welfare advice and telephone service only, while UC rolls out. The Local Authority tries to mitigate, e.g. minimising risk of eviction for non-payment of rent, but it needs every source of revenue.

Q13

Better social assistance and public services means more would be spent and taxed in the UK. Borrowing at very low interest to spend on green infrastructure and genuinely affordable housing would benefit growth. More progressive tax, closure of loopholes, and better floors under wages would improve the tax base rather than shrinkage and reliance on regressive indirect taxes. Combined with tough financial regulation and changes to land and property tax, there would have been lower inequality, better access to housing and services and maybe different politics.

UNIVERSAL CREDIT

See attached draft documents from the ongoing EMIN project: ATD 'reality on the ground' grassroots discussion report; UC statements by Gail Ward and Kathy K and SSAC submission by M Zolobajluk and G Ward; two case studies from Advising London, EMIN Leicester seminar and Glasgow Round Table UC reports and EMIN UK UC take-up report

Q15

The National Audit Office and the Archbishop of Canterbury say it has failed. It has built-in and roll-out flaws. As the Social Policy Task Force, (an advisory group with DWP) we laid out the potential problems in 2010 when Frank Field MP was 'poverty tsar,' to no avail.

- Every claimant's circumstances are different, complexity is unavoidable
- Making Work Pay? The cuts to allowances and premiums, the taper rate of 63p in the £1 plus transport and childcare contribution costs, pressure to take any job or be sanctioned
- The majority of claimants get lower benefits under UC, often significantly lower
- Housing support is not part of UC, resulting in confusion and debt
- Gig economy workers with no guaranteed hours have their top-up benefits recalculated weekly, with frequent errors and no capacity to budget
- UC has a greater disincentive for second earners than the previous system

Q16

There is justified complaint about the *administration* of UC. But the *core problem for poverty is the benefits levels are too low for a decent life and uprating has stopped in the four-year freeze*. UC is less than half the 60% relative poverty line for families and one-third for single people (see Prof. Hirsch in Leicester EMIN seminar, attached).

- Conditionality is extended to people in paid work who are deemed to work too few hours, removing choice about caring for your own children
- Sanctions have been up to 20 times higher than the previous system. The full sanctions regime applies to those deemed fit for work but extends to more groups than before. Work coaches can sanction without reference to an independent third party, compromising their support role
- Many groups of disabled people believe the 'fit for work' assessments are not fit for purpose, especially for variable illnesses and mental ill-health. Assessors need not be health professionals, they are deemed to be assessing not health but fitness for work. Employment rates for other groups are high and have risen rapidly for women with young children. People with a disability have low employment rates. The new Health and Work programme is meant to support people into work; disability groups fear its primary purpose is to cut social assistance payments and that work coaches will drive people to unsuitable and unsustainable work, worsening health. A 2017 study showed that for health, poor work is worse than no work. See <https://doi.org/10.1093/ije/dyx150>

Q17

- On-line only claiming is a challenge for some people (for some it is better) and IT can be less responsive to claimants
- Claimants cannot print off copies of their completed forms and journals (no PDF); they lack a record in case of dispute and can be 'timed out' and lose everything. Grassroots groups advise people to take screen shots of every page
- It is very difficult for some groups, especially migrants, to provide ID and it is difficult to do on-line
- Workers on top-up benefits have difficulty accessing libraries etc. There are not enough computers in public spaces and you have to book/ wait and time on-line is limited. If home has a computer, you compete with children who want it for their homework
- People with smart phones say the phone app is clear on payment but less good on navigation. Smart phones are expensive, (and contracts are a debt) and not everyone can use them. For people on benefits and gig economy workers waiting on calls for their next shift, it is a business cost transferred to them
- Some people can only afford simple pay-as-you-go phones, and if they haven't the money to top up, don't have a usable phone

- I live 6 miles from Leicester. There is no or poor mobile phone signal. Broad band is sluggish.

Q18

The Government attributes the low unemployment rate to the ‘flexible labour market’ and the benefits regime. There are now more children in poverty in households with someone in paid work than households with no-one in paid work. The National Living Wage – if you are over 25 and get enough hours, is a better income than benefits, but it is too low to lift people out of poverty. The [Living Wage Foundation](#) figure is about £2 an hour higher.

There is a toxic relationship between the benefits regime and poor work, which helps explain the prevalence of low pay, lack of progression, low productivity and under-employment.

- Cuts to benefits automatically reduce the floor under wages and profit-seeking employers will take advantage
- The UC Claimant Commitment and the sanctions regime force people to take poor jobs and insecure work
- Some Job Centres (e.g. in East Midlands) provide a space for temporary agency businesses to recruit and insist people apply for zero-hours and agency jobs, jobs which do not allow trades unions and encourage self-employment, which puts people even further away from employee rights and pensions, transferring costs to tax-payers and low-income groups
- Self-employed have no employee rights, agency and other ‘workers’ have some but not employee, rights. With low or zero fixed costs of labour, businesses can require more workers than they may need. Result: underemployment and fear of refusing unsuitable shifts or making complaints in case of being offered no hours and getting into debt or being assumed to have voluntarily left employment and therefore being sanctioned. See DUWC TAW report.
- Compared to employees, self-employed workers have a more attractive tax regime for employers and workers, leading to ‘bogus’ self-employment. But average earnings are lower than employees and there are no benefits such as sick and holiday pay, maternity and paternity pay and pensions. UC includes the former tax credit top-ups for low-paid work. After one year self-employed, people are assigned an ‘assumed income’. If the self-employed don’t meet it, their income is not topped up. This is exacerbating drivers and couriers, doing very long (and unsafe) hours and damaging their health.

Q19

The incidence of fraud PLUS error is 2%; errors are more likely. Between two-thirds and three-quarters of claimant appeals against social assistance awards are won at the independent panel appeal. Mandatory Reconsideration, which has no independent element, has a much lower success rate.

Much more important is *low take-up*, which is receiving no attention. It has been as low as 58% on the previous fit for work benefit (Job Seekers’ Allowance). There are some statistical issues as people migrate from Legacy Benefits to UC, but the government has acknowledged factors such as the smallness of awards, e.g. for top-ups, and the surveillance and sanctions regime. They have no plans to publish UC take-up figures in 2018. See [Duffy UC report on take-up, attached](#).

CHILD POVERTY: See [CPAG](#)

'BREXIT'

Q28

Nobody knows. Most economists expect Brexit costs will shrink the economy and result in higher taxes and lower public spending. The short and medium-term costs will result in cuts falling on low income groups. IFS has predicted impacts in various scenarios and [JRF](https://www.jrf.org.uk/report/how-could-brexit-affect-poverty-uk) has a briefing on the impact on poverty <https://www.jrf.org.uk/report/how-could-brexit-affect-poverty-uk>

Q 29

EU nationals already face high evidence barriers to a successful UC claim and high risk of errors. See case study from Advising London, attached.

2 UC case studies, London

1) Our client was EEA national and she has lived in the UK for over 6 years. She has 2 children, 3 years old and 1 year old. She has been working mostly continuously in the UK and had breaks only when she was on maternity leave. At the time when we first met her, she was still on maternity leave and was looking for a new job that will be able to accommodate her child care responsibilities.

She was living with a partner but they separated due to domestic violence. She was receiving Child Benefit, Child Tax Credit and Housing Benefit/ Council Tax Support. However, her Tax Credits stopped because she was asked to prove that she was a single person. While this process was on-going, she did not have any money but Child Benefit (just about £37 per week) and was told that that she needed to claim Universal Credit. She did not understand the implications of making a claim for Universal credit: that her Housing benefit will stop and that even if her Tax Credits reconsideration request would be successful, she would not be able to go back to Tax Credits and other benefits.

She made a claim for Universal credit and waited over a month just to be told that she did not qualify because she was EEA national and was not currently working and did not have right to reside for benefit purposes. The decision makers failed to consider her work history, if she may have acquired permanent residence or if she may have retained her status as a worker.

We assisted her with request for reconsideration and in the meantime, a decision was made that she qualified for Tax Credits as single person but as she claimed Universal Credit, only a small payment was due to her. She was very tearful and upset because she struggled to understand why she was refused Universal credit, she was frustrated that she will continue to receive no payments until the reconsideration request was considered and was already living on Child Benefit only and food bank vouchers.

She had rent arrears, her landlord served her with notice to leave the accommodation she was living in and she was worried that she will become homeless with her 2 children.

To make the process of payment of Universal credit quicker (as reconsideration could take a month or more and the outcome was uncertain), she tried to find work and had to leave her children with friends and relatives to manage to work.

Her Universal credit was finally paid 4 months after she made the original claim. It covers her housing costs to limited extent due to the local housing allowance (cap in the maximum amount that can be paid for housing costs) and even with the income from her part-time work, after she makes payments for her bills, contributes to the costs of child care and makes payments towards her rent arrears, she and her children continue to live on very minimal income.

2) Our client was married and was living with his wife and 2 children aged 15 and 18. Both his children were in FT non-advanced education and the client was still in receipt of CHB for them. The family was living in privately rented accommodation.

Cl.'s partner worked PT (15 h p/w) and earned about £600 p/m. Cl. used to work FT but he lost his job recently. He wanted to apply for JSA but he was told that he needs to make a claim for UC. He did that but did not understand the implications on other benefits (that everything but Child Benefit will stop), neither that he would need to wait over 6 weeks to receive a payment.

Cl. and his partner used to receive TC and part HB but these stopped after he claimed UC.

He had 2 credit debts but was helped to ask for suspension in interest and payment while his situation improves.

When we did a calculation of the amount of Universal Credit he and his family would receive and took out the costs of his accommodation, bills, food and clothing for the family, without taking into account payments towards his debts, the family would still be shorts of about £20 per week to meet their essential costs. During the period when Universal Credit payments were still pending, they had to live on £600 for the month and as they made a claim while there was still waiting period before UC starts, they also would have 2 weeks or more with no payments for their children or their rent and would need to contribute to clear any arrears that may accrue for that period.

The children and the family were not able to afford any holidays or time out.

Mariya Popova
Generalist Supervisor & Legal Adviser

Advising Communities

European Minimum Income Network

About the EMIN project

The European Minimum Income Network (EMIN) is an informal Network of organisations and individuals committed to achieve the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes. The organisations involved include the relevant public authorities, service providers, social partners, academics, policy makers at different levels, NGOs, and fosters the involvement of people who benefit or could benefit from minimum income support. The EMIN project is led by the European Anti-Poverty Network and currently funded by the European Commission.

There are three broad aims of the project in the current phase:

- Strengthening the EMIN Networks and networking at EU and National Levels
- Building awareness that adequate and accessible incomes are not only good for the people who directly benefit but also for the whole of society
- Ensuring progress through engaging in relevant policy debates and initiatives at EU and National levels

Background

In 2018, the Poverty Alliance hosted a series of three EMIN roundtable discussions related to minimum incomes in the UK. These discussions explored three distinct aspects of current debates on minimum incomes, namely, basic or citizen's incomes, the role of Universal Credit and welfare reform, and the impact of changing labour markets on addressing minimum incomes.

They aimed to stimulate discussion and debate among key stakeholders on prospects for securing adequate incomes. It was recognised that the current context is not favourable for anti-poverty campaigners and advocates of adequate minimum incomes, with barriers including Brexit and a difficult overarching political climate.

As well as this broad economic and political context, the social security system in the UK continues to be subject to on-going cuts in the form of the benefits freeze and significant 'reforms' that make the prospect of achieving adequate minimum incomes for all more difficult.

Within this context, attendees (who included representatives from voluntary organisations, think tanks, local authorities, trade unions, and the Scottish Government) focused on what the most effective and impactful ways of securing adequate minimum incomes could be.

Minimum income or basic income? How best to solve poverty

20th April 2018

Background

A universal basic income is a financial payment to individuals by the state which is not means tested and which comes without any form of conditionality. The payments are non-taxable, paid to every individual as a right of citizenship, and are intended to be sufficient to cover basic needs. With the evident problems in the UK's social security

system, it is not surprising that the idea of a basic income is seen as a new response to these problems.

Although not a new idea, it has gained considerable attention in recent years in Scotland and across the UK as a way of responding to the problems of our social security system and changes in our labour market. In September 2017 the Scottish Government committed to supporting the development of four basic income pilots in Scotland.

This discussion focused on how or if a basic income can contribute towards efforts to address poverty and secure an adequate minimum income for all. It included perspectives in favour of introducing basic income as a poverty reduction measure and perspectives that were skeptical of both the feasibility of introducing a basic income and of its likely impact on levels of poverty.

Using a Basic Income to Help Tackle Poverty, Annie Miller, Citizens Basic Income Network Scotland

Annie Miller, of Citizens Basic Income Network Scotland, provided an overview of the main arguments in favour of the introduction of a universal basic income as a more effective means of tackling poverty. In so doing, she critiqued the current social security system the way it segregates and stigmatizes claimants, limits autonomy and creates financial and psychological insecurity.

The arguments put forward in favour of the introduction of a universal basic income included that it provides:

- Greater respect for individuals, as well as greater financial privacy and autonomy; something that could have a particularly positive impact on women.
- Greater financial security for individuals.
- Greater control for individuals over their own time.
- A contribution towards more effective prevention and reduction of poverty.
- Simplification of the administration of the social security system.
- Increased wellbeing in terms of security, health and education opportunities.

Whilst calling for the implementation of full basic income – rather than partial – for all adults, some additional factors were recognised that would necessitate levels of variability and additional support for some groups in order to reflect greater need.

These included the variability of house prices and rents, which would necessitate the continuation of an individualised and separate housing benefit system. Similarly, childcare would require a separate system to reflect individual needs. Finally, people with disabilities would - according to the model of basic income proposed - require tax-exempt payments in order to cover the additional costs of living with a disability.

It was recognised that basic income on its own is not a panacea and would act as initiative that was designed to be complimentary to – rather than in replacement of – greater redistribution of wealth. The model put forward was also stated to be a formal replacement of the social security system only, and would not represent a replacement of public welfare services.

Can a Basic Income reduce poverty? Adam Corlett, Resolution Foundation

Adam Corlett, of the Resolution Foundation, presented arguments against the use of introduction of basic income as a poverty reduction measure. Two positive aspects of basic income were highlighted though:

- Basic income is there immediately when people require it, and in theory it would reduce systemic complexity.
- There is a significant problem with the take up of benefits within the current system (with only around half of all people entitled to Job Seekers' Allowance currently claiming it) and universal basic income would address it.

Despite these two positive features, some fundamental concerns were highlighted regarding the effectiveness of universal basic income in the broad sense, and regarding universal basic income as a poverty reduction measure more specifically. Some key points included:

- Modelling that has been undertaken has shown that a universal basic income would be prohibitively expensive and may also contribute towards an increase in child poverty, working age poverty and pensioner poverty.¹
- Universal basic income, due to being paid to all individuals regardless of whether they are in a couple or not, necessarily involves redistribution of income from single people to couples (due to the economies of scale available to couples living in the same household).
- While the current levels of conditionality are ineffective and should be addressed, some level of conditionality is potentially required in order to support people into work.

While proponents of universal basic income state that the current system is not doing enough to reduce – and indeed is acting to increase – poverty, it was suggested that the remedy was not to replace the system but to increase the generosity of benefits. The current system, it was said, does allow the targeting of support at the people who need it most and therefore could be an effective poverty reduction tool if the political desire was there to make it so.

It was suggested that in order to reduce poverty in the short and medium terms, the most effective options were to stop current benefit cuts and increase the levels of benefits to ensure that they enable people to have adequate incomes for their needs; both of which could be funded by a more progressive taxation system.

Disabled People and Poverty: the Role of a Basic Income, Bill Scott, Inclusion Scotland (speaking in a personal capacity)

Bill Scott of Inclusion Scotland (speaking in a personal capacity) presented from the perspective of disabled people and the way in which the introduction of a universal basic

¹ Compass, *Universal Basic Income: An Idea Whose Time Has Come?* May 2016
<https://www.compassonline.org.uk/wp-content/uploads/2016/05/UniversalBasicIncomeByCompass-Spreads.pdf>

income may impact their experiences of poverty; a critical factor to consider when 48% of all poverty in the UK is in some way related to disability. Key points included:

- Universal basic income may reduce complexity, but the current system is highly personalised and could (if delivered in a more compassionate and generous way) take account of and respond to the individual needs of people.
- The current system has been designed in a complex way, but can be made simpler. While the current system does require disabled people to undertake unnecessary and often humiliating assessments, this can be discontinued within the current system; it does not require a universal basic income in order to enact this change.
- Even if universal basic income was to be introduced, the complexity of assessments would still exist if the system was to be truly responsive to the needs of disabled people.
- Universal basic income would not be effective in reducing stigma associated with disabled people, because stigma is predominantly created by media and political discourse which would remain unaffected by the introduction of a universal basic income.
- People who relied on basic income, including disabled people, would remain in relative poverty because they would still likely be without employment while most of the rest of society would be in employment. For people for whom not being in employment is not a choice (for example full-time carers) this could represent a reinforcement of the poverty they already experience.

Roundtable discussion

Following the three presentations, the conversation was opened out to participants for questions and discussion. Key themes covered included:

- *Scottish pilots*

The Scottish Government's commitment to supporting local authorities in implementing four basic income pilots was welcomed, and it was agreed that Scottish local authorities being at the vanguard of testing creative and innovative solutions was a hugely positive step. However it was stated that the expected implementation dates of these pilots were some way off, with there being a need to continue to learn from international practice (for example with regards to methodologies and data collection) whilst developing models that work in the Scottish context.

It was agreed the close monitoring of the impact of the pilots was essential in order for organisations to develop more evidenced positions on universal basic income, and in particular how its introduction may impact upon poverty, the labour market and gender.

Regardless of attendees' positions on universal basic income, there was also consensus that the pilots would be useful for exposing some of the 'conscious cruelties' of the current UK social security system (for example the high levels of conditionality), and informing the ongoing development of the new Scottish social security system.

- *Gender*

There was some discussion around the potential impact of universal basic income on women. Some attendees spoke of how the current social security system does not meet

women's needs, and highlighted the positive impact that universal basic income could have on women in terms of providing greater financial security and autonomy.

However, others felt there was little certainty about this impact and were concerned that universal basic income may even entrench gendered norms. Some proposed that universal basic income may lead to a situation whereby women received a relatively small amount of income from universal basic income but without any disruption to gendered patterns of care or distribution of wealth.

- *Wages*

The impact of universal basic income on wages was discussed, with some attendees expressing concern that universal basic income would not contribute towards an increase in wages and would, conversely, represent the subsidy – by taxpayers – of low wages. Universal basic income, it was said, would likely have no significant impact on the distribution of income.

Conversely, it was also proposed that the introduction of universal basic income could increase workers' leverage with employers. By increasing financial security of workers, it was suggested that universal basic income could strengthen collective bargaining efforts (given that they may not have to work as many hours in order to ensure financial security).

- *Attitudes*

Some discussion focused on the way in which universal basic income could help in the process of rethinking the concept of work and societal contribution. It was suggested that it could support a shift of focus away from being exclusively on paid work to incorporate other forms of work, such as caring.

Public attitudes towards universal basic income, and in particular attitudes towards the use of income received by individuals, were perceived to be problematic. While individuals reflect that they would use their own basic income to, for example, pursue educational or 'liberal' opportunities and support care-giving responsibilities, it was noted that individuals often held negative expectations of what other recipients would spend their money on; a potential barrier to obtaining public support for the policy that would need to be addressed.

- *Intersection with UK social security system*

Within the Scottish context, it was felt by some attendees that universal basic income could not be fully implemented if it had to co-exist alongside a UK system with high levels of conditionality. Others, though, stated that universal basic income could be utilised in Scotland as a method of mitigating some of the negative impacts of the UK system.

Universal Credit: Can it ever provide an adequate minimum income?

10th May 2018

Background

The UK social security system has been through an almost continuous process of change over the last 30 years. There has been the continual extension of in-work benefits, from Family Income Support, to Family Credit and Working Tax Credit. Over that period, there has occurred an erosion of contributory benefits, and an increasingly harsh benefits regime

as we move to a more 'active' and conditional system. Universal Credit is the latest in this long line of changes.

This discussion focused on the experience of implementing Universal Credit so far in Scotland, particularly in relation to efforts to secure adequate minimum incomes. Also discussed were actions to mitigate the worst effects of the policy, as well as possibilities for change.

Fixing Universal Credit: Some priorities, John Dickie, Child Poverty Action Group Scotland

John Dickie of CPAG Scotland provided an overview of some priorities for 'fixing' the introduction and implementation of Universal Credit. At the outset, the point was made that much of the child poverty increases in the next few years will be due to the benefits freeze, the two child policy, and cuts to Universal Credit; all of which are policy decisions. Some key points from the presentation included:

- The rollout of Universal Credit will heighten levels of child poverty, with people's entitlements projected to be less on average and with skepticism about assumptions around higher take-up rates.
- Reductions to work allowances mean that parents will have to work 13 or 14 month years in order to protect current income levels.
- Some people may be better off as a result of Universal Credit, for example young people who are in work and who have no housing costs.
- As a result of cuts to Universal Credit (when compared with the original design) significant numbers of people are worse off, including families with children. CPAG research found that the cuts will have the impact of pushing 1 million more children into poverty.

Some key priorities for change were identified:

- Ending the freeze on uprating
- Scrapping the two child policy
- Scrapping the benefit cap
- Restoring work allowances for low paid workers
- Reducing the UC taper to 55%
- Raising the universal credit childcare ceiling so it's not limited to two children and pays a higher rate for disabled children.
- Reducing the current five week wait for a first payment to two weeks.
- Ensuring the Department for Work and Pensions listens and acts on early warnings about problems in the universal credit roll-out.

Universal Credit – the CAB experience, Rob Gowans, Citizens Advice Scotland

Rob Gowans, of Citizens Advice Scotland, presented on Citizens Advice Bureau's experiences of and insights to the rollout of Universal Credit and the impact that it is having – and is projected to have – on bureau users.

The impact of UC in areas so far, as witnessed by local CABs, has been negative, with more people being pushed into crisis, the most vulnerable people being excluded, and significant issues with the administration of the delivery. Specific issues have included:

- A 15% rise in rent arrears, compared with a 2% drop nationally
- An 87% rise in Crisis Grant awards, compared with a 9% rise nationally
- An increasing use of food banks, with one local CAB seeing a 70% increase.

Local CABs have reported a range of different issues experienced by clients accessing or seeking to access UC, including:

- The waiting period before they are able to access UC
- Delays in accessing UC
- Digital exclusion and lack of digital support
- Direct deductions being too high
- Loss of Employment Support Allowance premium on being transferred to UC

In order to identify specific impacts, CAS published a research report by Musselburgh and Haddington Citizens Advice Bureaux which looked at the impact of UC on clients' income in East Lothian, the first Scottish local authority to implement full service UC. The report (which can be read in full [here](#)) took a two week 'snap shot' survey of all visiting clients, enabling CAS to calculate their benefit entitlements under UC. Some key points from the research were that:

- 52% of people will receive less under UC, with 31% receiving more
- 79% of those receiving less will experience an income reduction of more than 10%, while 63% of those receiving more will experience an income boost of less than 1%
- For lone parents, the median gain was £4.59, while the median loss was £58.51
- For disabled people, the median gain was 29p, while the median loss was £61.51.

The overall picture, then, was one of significant financial loss as a result of transition to UC. Some suggested solutions were presented, which included:

- The reversal of changes to Work Allowances
- Transitional protection for people losing disability premiums
- Reducing the wait for initial UC payments
- Improving digital support and providing alternatives
- Addressing housing payment issues that cause rent arrears
- Investing in staff and training to improve the administration of UC
- Ending the benefits freeze

Mitigating the impact of Universal Credit, Jacqui Kopel, Dundee City Council

Jacqui Kopel presented on the approach that Dundee City Council have taken to mitigating the impact of Universal Credit. With Dundee becoming a full service area from 8th November 2017, it was considered to still be early on in terms of assessing the impact of Universal Credit, although an initial indication was that rent arrears were increasing for Universal Credit claimants when compared to those in a household that was not claiming Universal Credit.

Prior to become a full service area, Dundee City Council undertook a range of activity aimed at ensuring a smooth transition to Universal Credit for both claimants and services. Actions included:

- Delivering awareness sessions to over 300 frontline third sector agencies across Dundee, aimed at ensuring that key agencies and staff were as informed as possible prior to Universal Credit going live, particularly around referral pathways. These sessions were delivered in partnership with Citizens Advice, the Department of Work and Pensions, and Brooksbank money advice service.
- Creating and promoting a booklet on Universal Credit, aimed at informing residents about what Universal Credit was and how to make a claim. The leaflet particularly emphasised areas that could stop someone's claim from being successful. For example, it provided information on generating an online account, after it had been highlighted by other full service areas (Highland Council and East Lothian Council) that the process of generating an online account username and password could be cumbersome and could discourage claimants.

Dundee City Council have also, now the service has gone live, implemented a range of actions to support people through their claims and ensure they are able to access their entitlements as smoothly as possible. Actions have included:

- Delivering digital support services in partnership with the Dundee libraries service, and providing a drop in service with over 30 PCs that can be used at any time by claimants. Volunteers are on-hand at the service to support and assist.
- Introducing a hardship fund for council tenants aimed at supporting people in sustaining their tenancies. The fund, which is administered alongside Discretionary Housing Payments, was originally £250,000 and has subsequently been increased to £450,000.
- Engaging with council tenants after they make a Universal Credit claim that includes a housing component, to offer advice and make referrals to other teams (e.g. personal budgeting support) if needed.

Discussion

Following the three presentations, the conversation was opened out to participants for questions and discussion. Key themes covered included:

- Local authority and third sector mitigation is not sustainable

The support and mitigating actions of local authorities such as Dundee City Council were praised, but it was recognised that local authorities could not mitigate the impact of UC on a long-term basis, particularly at a time of such significant budgetary pressures. Similarly, it was noted that third sector organisations and NGOs are unable to mitigate the ill-effects of UC on an ongoing basis.

- Adequacy of support

It was suggested that if UC was appropriately uprated and funded then it had the potential to provide an adequate income, however the current level of support provided by UC was agreed to be insufficient for enabling a decent standard of living. Cuts to work allowances have had a particular impact, with the end result being a wholly insufficient level of support which is likely to negatively impact poverty levels.

- Direct deductions

Many households, it was discussed, are not receiving their full UC entitlement due to third party deductions (which can add up to 60% of an individual or households entire benefit entitlement). Such high levels of direct deductions were described as having a 'snowball effect', which further tighten the grip of poverty on people's lives. With more people facing income crises as a result of direct deductions, they will also place significant additional pressure on the Scottish Welfare Fund.

- *Staff training*

The preponderance of UC administrative errors were a common theme, with these errors leading to delays in payments and significant hardship for those affected. Investment in additional training for Job Centre staff on UC was felt to be both essential and a relatively simple action that could have a positive impact.

- *Trade union involvement*

Given increasing levels of in-work poverty and the expected increasing reliance of people in work on UC, some attendees proposed greater involvement of trade unions in discussions around and preparations for UC implementation. Training for shop stewards was suggested as one route of ensuring workers are better supported and prepared for the possible impact of UC.



8-country peer review on take up of social assistance benefits; summary of UK response to Questionnaire on eligibility, conditionality and take up

Helsinki 12-14 March

Introduction (note – additional information for those interested is in boxes and appendices).

The UK social assistance system for working age people is a general, tax-financed regime of non-contributory incomes of last resort, paid conditional on income tests and work conditionality. The Ministry responsible is the Department for Work and Pensions (DWP), though ‘top-up’ benefits for those in low wage work are paid by Her Majesty’s Revenue and Customs (HMRC). Box 1 below, summarises benefit claimant numbers for various benefits.

Box 1: Benefit claimant numbers

- There were 20 million benefits claimants in Great Britain in August 2017, 6.8 million of them of working age.
- Some people are claiming one benefit, others are claiming several benefits.
- About 3.6 million people were on income-tested ‘out of work benefits’ (combining out of work new Universal Credit claimants and claimants of the remaining ‘legacy’ benefits for people out of work – see below).
- Thus 3.3 million people who claimed benefits were in paid work, claiming income-tested top-up benefits, i.e. Working and Child Credits (both currently being replaced by Universal Credit).
- 3.9 million of the 6.8 million claimants received income-tested housing benefits support;
- 2.4 million people also claimed Incapacity Benefits (no new claims are payable; it was replaced by Employment and Support Allowance (ESA) for new claimants), and 2.1 million claimed non-means-tested Personal Independence Payment (PIP) or Disability Living Allowance (DLA) (which is being replaced by PIP for people aged under 65).
- These are ‘point’ estimates. Over the course of the year the flow of people on and off benefits means much larger numbers of people and their families will have experience of claiming benefits (see *DWP Quarterly Benefits Survey (21 February 2018)*; data to August 2017 accessed at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/682581/dwp-quarterly-benefits-summary-february-2018.pdf).

The Coalition government from 2010 and the current Conservative government aim to substantially reduce spending on social protection. After tackling working age unemployment benefits for those fit for work, three more recent areas of working-age benefit reform have been to lower the amounts and tighten the conditionality attached to claims that had grown most and/or had the largest number of claimants: those related to disability, housing benefit and in-work income top-ups (‘Tax Credits’).

The government is now making a revolutionary change in the social assistance regime. A single benefit called **Universal Credit** (UC) is replacing the six main working age benefits. These are now called, collectively, 'Legacy Benefits'. UC further integrates the tax and benefit system. It is intended to streamline benefits administration and make it simpler and more responsive to changes in claimant circumstances. It aims '*to reduce poverty, by making work pay, and to help claimants and their families to become more independent*' (Department for Work and Pensions DWP January 2018). There are no restrictions or thresholds on hours of paid work. The benefit is income-tested only. The other main instrument to incentivise labour market participation is behaviour modification through an enhanced conditionality regime with lower benefits and tougher sanctions. In 2016 the National Living Wage (the statutory minimum wage for people aged over 25), was substantially increased. But it remains below the MIS and the wage increase for many in paid work is substantially outweighed by loss of benefits.

The six **Legacy Benefits** are: Income Support; Job Seekers Allowance; Employment and Support Allowance; Working Tax Credit; Child Tax Credit; Housing Benefit. UC is less generous than the system it is replacing. It is intended to save £2.5 billion, on some estimates, £3 billion per year. Since April 2016 there is a four-year benefits' freeze in place for working age benefits which saves a further £3 billion per year.

see Box 2 below for progress on UC roll-out and Box 3 following for data on claims and starts on UC.

Box 2: Roll-out of Universal Credit

- Roll-out was piloted for the simplest claims, initially in the North-West of England, in 2013. Roll-out was sequentially stepped up to more complex categories of claimant and other areas; the pace of implementation, post code by post code, is now speeded up.
- Full roll out will not be completed for new claimants till 2019 and for existing claimants till 2022. 'Migration' is used to describe transition from legacy benefits to UC. '*Managed migration*' will start in 2019. Beneficiaries of legacy benefits will have them mandatorily terminated and replaced with a claim for UC. Transitional protection will apply for those whose UC award is lower. '*Natural migration*' happens when the claimant's circumstances change, and they are obliged to make a new claim; this claim is to UC (the rules vary in 'live' and 'full service' areas). No transitional protection applies. A change of circumstances can mean as little as a change of address.
- There are implementation problems with the progressive roll-out of UC not least because DWP is running Legacy Benefits, 'Live' areas and 'full service' areas at the same time. There are also issues with the real time information system that links HMRC earnings data to DWP benefits. There are concerns about access to information for claimants and the adequacy of training for those who will deliver the support, both within DWP and in local municipalities and NGOs.
- The context for implementation is almost a decade of 'austerity' including severe cuts to local authority budgets for local support services (local authority budgets are now about 50% lower than in 2010), central public service cuts etc. with much more to come.

Box 3: Data on claims and starts for UC

- There are data on claims and starts, compiled from local offices and records of UC paid by DWP. The DWP publication: *Universal Credit statistics: data to 14 December 2017*, was published on 28 January 2018. It is 'official experimental data'. It shows that since UC was piloted in April 2013 there have been 1.7 million *claims* and 1.2 million *starts* up to 14 December 2017. The full service is now available to all claimants in some areas.
- In the month of December 2017, there were 700,000 people on UC. 42% were in employment and 45% were women. Most UC starts are in the 'searching for work' conditionality regime. But data on the mix of people on benefits and the regime they are under are hard to make meaningful, both because of the nature of the roll-out and because of policy changes to the conditionality regime. For example, from April 2017 there were changes to the regime for single parents and lead carers, leading to a fall in May 2017 in the numbers on the 'planning for work' regime.

Q1 State of play on eligibility and conditionality for Universal Credit

Please note that the description below refers to England and Wales. Within the UK, there are some differences in the scheme operated in Northern Ireland (see www.nidirect.gov.uk/articles/universal-credit) and some limited flexibility in Scotland (mainly over payment period and payment method).

Eligibility for UC

People aged 18-65 with insufficient income are eligible. UC is income tested and is paid to people in paid work and not in paid work. There is no restriction on hours of work. (Box 3 below provides information on the progress of claims and starts for UC).

Some key features of UC in comparison to the system it replaces (the six 'Legacy Benefits')

1. UC is a single claim from a household paid to the lead claimant's bank account. Since this is most likely to be a male claimant, there are gender equality concerns.
2. UC is paid monthly in arrears and the minimum wait for first payment is 5 weeks. There is an assumption of budgeting capacity as for monthly salary paid workers. However, many claimants are/have been, paid weekly or fortnightly, others are /have been, part-time and so have not got a month's worth of full-time income to see them through the month; others have transferred from a mix of other benefits onto UC. A lot of people have debts. Some people have experienced payment delays, of up to 11 weeks, perhaps because they have not understood to claim promptly, or there have been administrative delays. There are significant concerns about risk of absolute poverty during this waiting period and the link to rising usage of food banks.
3. Contact is on-line after initial interview, with few exceptions for vulnerable people. On-line contact can be an advantage for some people with a disability, or in rural areas, but access to IT and the internet can be limited by low incomes and debt, poor broadband infrastructure and the closure or restricted service of libraries and other publicly accessible IT and broadband sources. There are some reports of poor responsiveness to electronic contact with advisors and while the information on-line is clear, DWP does not offer advice for claimants and some people find difficulty in navigating through the system, or in dealing with lengthy forms.
4. The income taper rate is 63p (formerly 65p) but the amounts ([see Appendix 1](#)) and access to them are less generous than the Legacy regime. Working Age benefits largely provide incomes below the 60% median income poverty threshold and below the Minimum Income Standard (MIS, [see Appendix 2](#)). (MIS research is sponsored by the Joseph Rowntree Foundation. It is based on a consensus approach to deciding minimum budget needs for social participation).
5. There is an improved childcare offer of 85% of costs, for working parents only, but as childcare providers have not been fully funded to deliver it, there is a dearth of places relative to demand.
6. Advance and Hardship payments and support for paying mortgage interest, have been replaced with loans repayable deducted from benefits, increasing the risk of indebtedness from other, higher interest sources, to maintain spending.
7. Eligibility has been tightened and premiums for various disadvantages removed (e.g. those for people with some limited capacity for paid work).
8. Eligibility for Work Allowance (essentially an earnings threshold) is restricted to people with a disability and carers and the amounts allowed are significantly lower.
9. Housing costs are reimbursed only for the bottom 30% of rents in an area; those aged under 35 are expected to share a house.
10. Self-employed people have several limitations to their access. As well, after one year of self-employment, for calculation of UC entitlement, the DWP allocates them an assumed income according to a metric. Actual income below the assumed income is not topped up.
11. Social assistance conditionality has tightened repeatedly since 2012 and again under UC. UC also extends conditionality to people in paid work deemed to have insufficient earnings/ too few hours
12. The biggest hit compared to previous benefits incomes is to people with mid-level disabilities, single parents and larger families.

Conditionality

The core of the conditionality regime is the record of agreement contained in the Claimant Commitment, individually tailored but involving the whole household, extended to those in paid work claiming income top-up benefits, and with tougher sanctions than the legacy regime; see below, Box 4.

Box 4: Claimant Commitment: extract from DWP (2016) *Guidance: Universal Credit and your Claimant Commitment*, updated 11 April 2016, see <https://www.gov.uk/government/publications/universal-credit-and-your-claimant-commitment-quick-guide/universal-credit-and-your-claimant-commitment>

- When you claim Universal Credit, you will need to accept your Claimant Commitment.
- In most cases your Claimant Commitment will be drawn up during a conversation with your work coach at your local jobcentre.
- Your Claimant Commitment will set out what you have agreed to do to prepare for and look for work, or to increase your earnings if you are already working. It will be based on your personal circumstances and will be reviewed and updated on an ongoing basis. Each time it is updated, you will need to accept a new Claimant Commitment to keep receiving Universal Credit.
- The Claimant Commitment is your record of the responsibilities that you have accepted in return for receiving Universal Credit, and the consequences of not meeting them.
- Your Universal Credit payments may be cut if you don't meet your responsibilities.
- If you have a Universal Credit online account, you will be able to view your latest Claimant Commitment online. You will also be able to update your progress on your goals using that account.
- If you claim Universal Credit as a couple, both of you will need to accept a Claimant Commitment. You will each have your own Claimant Commitment, and yours may be affected if your partner starts work or their circumstances change.

The enhanced conditionality regime: key features and some concerns

1. Conditionality is extended to more groups, more strongly, including those in work who are deemed to be not earning enough/ doing too few hours of work. People fit for work must spend 35 hours per week on work search and related activity and must also complete their on-line information and communication journal of appointments, training, activities, queries etc. There are limited reductions in commitments for those with mid-level disabilities and caring responsibilities. Only those 'prevented from working' by severe disability or caring 35 hours or more for a severely disabled person are excluded, as well as mothers of infants aged under one year.
2. The standard for conditionality is 'all reasonable steps'. This is interpreted at a higher level of commitment than in the past. Destitution is a real risk. Sanctions are similar to JSA but tougher. The minimum sanction for a first 'offence' for someone 'fit to work' is 28 days removal of 100% of the Standard Allowance. It goes up to 3 years for 3 'offences' in 52 weeks. For people in the most vulnerable groups, the first sanction is a 40% cut in the basic allowance. 'Offences' can be minor errors or omissions, can be implemented consecutively, and there can be 'run on' penalties from the sanction after compliance is proved.
3. There are in-built issues with the severity of the regime and limited exclusions and support for vulnerable people. 100% of people on legacy benefits for 4 years or more have been sanctioned (Webster, D (2017) *Benefit Sanctions Statistics: JSA, ESA and Universal Credit*, February, accessed at www.gla.ac.uk/schools/socialpolitical/staff/davidwebster). This is expected to worsen sooner under UC.
4. There are misunderstandings and sometimes misinformation around the detailed regulation on claims, mandatory reconsideration and appeals. There is fear, especially amongst some disabled people's groups, at the powers of Work Coaches around the Claimant Commitment, its fulfilment and decisions to sanction.
5. Some groups of people with a disability believe that chronic illness (as opposed to disability, where some people are well, not ill) is not properly addressed in the design and regulations of the benefits

system, leading to confusion and poor decisions, especially for variable conditions and mental ill-health or disability.

Q2 Data on take-up

Universal Credit

There are no data on UC take-up and none are expected this year. There is a Strategy for the release of all types of statistics on UC, last updated in January 2018: see www.gov.uk/government/publications/universal-credit-statistics-background-information.

Legacy benefits

There are annual data from DWP on legacy benefits. The most recent is September 2017. It does not include data on top-up benefits (e.g. Working Tax Credits) for those in paid work. The next publication is May/ June 2018.

The data are estimates based on a sample survey. Working age benefits show significant variation in take-up, by benefit. The lowest take up is for JSA and working tax credits (see later). There is an overall trend of decline in take-up from 2012 to 2016.

Note: The DWP publication says they do not have the data in their modelling to explain take-up. They state the following potential reasons for non-take-up: the attractiveness of the benefit; lack of awareness of the benefit or the application procedure; lack of awareness of entitlement.

Table 1: DWP Income related benefits: estimates of take-up: data for financial year 2015/2016. Published 14 September 2017

Benefit	Caseload: i) % of eligible persons who claimed their benefit; ii) number of entitled families who did not claim benefit	Expenditure: i) % of total amount that could have been claimed that was claimed ii) amount unclaimed
Income support (IS)/ income related Employment and Support Allowance(ESA)	80% take up 0.5 million families did not claim	86% £2.7 billion unclaimed (ave. £5000 per year per family)
Income based Job Seekers Allowance (JSA)	60% 0.5 million families did not claim	59% £1.6 billion unclaimed (ave. £3,000 per year per family)
Housing Benefit	80% (77% in 2016) 1.60 million families did not claim	85% £4.8 billion unclaimed (ave. £3,500 per year per family)

Detailed data breakdown are available at www.gov.uk/government/statistics/incomerelated-benefits-estimates-of-takeup-financial-year-201516

Box 5: Trends and patterns in take-up

Income Support (IS)/ Income related Employment Allowance (ESA). Over the 4 years 2012/13-2015/16 there has been a 2 percentage points decline in caseload and expenditure take-up of IS and ESA combined.

Housing benefit (HB) caseload take-up for working age households has declined over the four years 2012/13 to 2015/16 by 4 percentage points. There is significant variation by housing sector. Take-up declined from 86% to 85% in the social rented sector, but from 72% to 64% in the fast-growing private rented sector. Expenditure take-up declined from 88% to 85%. The decline was 92% to 91% in the social rented sector and 83% to 76% in the private rented sector.

Case load take-up of HB was greatest for singles with children and lowest for couples with children, where it has declined to 59%. Expenditure take-up was also highest for singles with children and lowest for couples

with children where it declined to 77%. Single adults without children fared between the two and showed the same but smaller (2 percentage points) decline.

Income based Job-Seekers Allowance (JSA). These are the only statistically significant changes and they are large changes. Case-load take up for JSA declined 11 percentage points from 67% in 2012/13 to 56% in 2015/16. There was a 3 percentage points fall from 2014/15 to 2015/16. Expenditure take-up declined 12 percentage points over the 4 years: from 71% to 59%. There was a 5 percentage points fall in the last year. The interpretation of these figures is challenging. The DWP publication notes that the roll-out of UC means fewer people eligible for the legacy benefit that is income-related JSA. They say also that in a high employment environment, given the conditions attached to claiming JSA, people may choose not to claim and hope to find a job quickly. They say there may also be other factors, not stated.

Tax Credits: Working Tax Credit (WTC) and Child Tax Credit (CTC): There is a relatively old (2011) report on tax credit take-up for HMRC: Breese, H., Maplethorpe, M., Toomse, M. (2011) *Take up of Tax Credits, HM Revenue and Customs Research Report Number 144* published by the National Centre for Social Research. The data are from 2 panel surveys. The Report showed that take-up estimates for 2008/9 were much higher for Child Tax Credit than for Working Tax Credit. 80% of eligible families claimed CTC and only 58% claimed WTC.

The Report combined questions on the 2 types of tax credit, for reasons not stated. 84% of eligible non-recipients had heard of tax credits, but 78% of those who were eligible, had heard of them and had not taken them up, because they did not think they were eligible. The 15% of eligible non-recipients who would not take up tax credits for other reasons were concerned about privacy – linking of earnings and social security records, and the small amounts that would be gained meaning the complexity of applying was not worth it. But 92% of recipients of tax credits would recommend tax credits to someone who was eligible and not claiming.

The report suggested that increasing take-up is not easy because eligibility and entitlement criteria for tax credits are 'quite complicated'. WTC claims were rising at the time of the report, but the authors say they 'did not have a good understanding of the factors that drive that increase. The authors thought one thing HMRC could do was address concerns about the risks and impact of overpayment. But these fears seem to have migrated from legacy benefits to UC.

Exclusion from benefits on eligibility grounds and for failures to comply with the conditionality regime

The focus of this Peer Review is individual take-up, but equally, Government policy has cut access to benefits by repeatedly tightening eligibility and reducing awards. This is the case for individual and household income and asset thresholds, work allowances, reduction or removal of premiums for categories of claimant, and the conditionality regime. The overall benefits cap breaks any link between need and meeting it. The household benefits cap has caused particular concern in London. The removal and reduction of work allowances and disability premiums has caused widespread concern. An egregious example of exclusion is the two-child policy for support for children, with rare exceptions including the non-consensual sex clause.

People can be excluded from benefit by a severe, challenging and complex conditionality regime, including many people who have been wrongly disallowed benefits. A government sample audit reported by John Pring in Disability News Service on 8 February 2018 found that up one-third of disability assessments by Capita for Employment and Support Allowance, are significantly flawed and one in fourteen are so poor as to be 'unacceptable'. (see <https://www.disabilitynewsservice.com/the-pip-files-nearly-one-in-three-capita-assessments-were-flawed-reports-reveal/>)

The shortcomings of many Work Capability Assessments are indicated in the rate of success on challenge. According to fullfact.org, (8 November 2016) one quarter of initial challenges (mandatory reconsideration) result in the decision being overturned. For those that get to the appeal stage, the success rate is three-fifths. But the number of appeals is falling significantly since mandatory reconsideration was introduced in October 2013. Unlike the appeals stage, this stage does not involve external judgements. (See <https://fullfact.org/health/appealing-fit-for-work-decision/>)

Gail Ward, a well-known disability activist, has said experiencing the benefits system is like *'living with an abusive partner'*.

Q3 Suggestions to improve take-up

1. The Scottish Government take up campaign (part of Fairer Scotland) is strongly based on the principle that benefits are a right and government must proactively inform people of their right to benefits and work to end stigma. This can be a model of good practice for the rest of the UK.
2. Better information and public awareness campaigns about *eligibility* (see Box 5, the panel survey on tax credits, above).
3. Simpler eligibility criteria.
4. A greater focus on claimant need rather than administrative convenience would make the system more responsive and easier to access, which would itself increase take-up.
5. IT: UC general information from DWP on-line is very clear and the date and payment are clearly provided. The requirements in the Claimant Commitment are also more clearly expressed than in the Legacy Benefits. But the on-line application system can be a barrier to access, the on-line journal can be a challenge and some people have difficulties with navigation and responsiveness.
6. As a trusted source some trades unions could do more to support low paid and part-time members to improve awareness of eligibility and to help with completion of claims. But a more creative trades union membership drive is needed, unionisation is low in the sectors and groups most likely to be eligible for top-up in-work benefits.
7. Better training for DWP and agency staff: there is too much risk of misinformation around eligibility and relevant benefits – especially during transition from legacy benefits where wrong information or advice can mean the claimant can receive a significantly lower benefit. There is a strong feeling amongst some groups that there is also disinformation and DWP must do more to ensure this is seen to be baseless.
8. Reverse local authority cuts to enable reasonable resources and more independence of action by local municipalities and local support organisations to provide information and support at all stages from initial claim to appeal. There is now increasing mistrust especially amongst people with a disability, of large organisations contracted by government to support them or to deliver programmes.
9. Rebalance the benefits regime to ensure more positive support instead of a punitive regime of behaviour modification. It seems likely that take-up of JSA is affected by the conditionality regime (see Box 5 above on take-up). As well, the potential of Work Coaches to provide positive mentoring and support has been compromised by their sanctioning powers. Especially for more vulnerable groups, there is no evidence that it works and increasing evidence of distress. A more positive approach would improve mental health, aspirations and engagement with the system, including take-up.
10. Recent research has indicated that poor work is worse for health than no work (see Chandola T. and Zhang N. (2017) Re-employment, job quality health and allostatic load markers: prospective evidence from the UK Household Longitudinal Study, *International Journal of Epidemiology*, 1-11, accessed at: <https://doi.org/10.1093/ije/dyx150> This should be considered in redesigning labour market and benefit regimes.
11. Forecasts for the future of work suggest further loss of traditional jobs, especially at the less skilled end of the labour market. Transitions between work status as employee, worker or independent contractor, with very different employment and welfare rights, are expected to be more common and more frequent. Labour Market and welfare regimes must better deal with this potential future.

Appendix 1: UC awards

UC is made up of a basic 'standard amount' and extra amounts in specific circumstances. The tables below are drawn from www.gov.uk/universal-credit/what-youll-get. There is no benchmark of adequacy.

Standard amounts

Circumstances	Monthly standard allowance
Single and under 25	£251.27
Single and over 25	£317.82
Couple both under 25	£398.20
Couple one partner over 25	£498.89

Extra amounts for eligible clients

Circumstance	Extra monthly amount
First child	£277.08 (born before 6 April 2017) £231.67 (born on or after 6 April 2017)
Second child	£231.67 Per child
Help with childcare costs ²	85% of costs up to £646.35 for one child and £1108.04 for two or more children
Disabled or severely disabled child	£357.78 to £649.38
Disabled or with health condition that prevents applicant working ³	£318.76
Caring for a disabled person	£151.89

Larger families: An applicant can only get help for a third child or further children in the following circumstances: the child was born before 6 April 2017; the applicant was already claiming for more than two children; the applicant was claiming for more than two children but stopped within the last six months; the child was born because of 'non-consensual conception' (e.g. domestic violence or rape). Families with three or more children will migrate to UC in late 2018.

Housing costs: Help with housing costs includes rent, mortgage interest (Support for Mortgage Interest (SMI) is paid as part of the housing element of Universal Credit, but now after 39 weeks rather than 16), some service charges and interest on a loan secured against the applicant's house. The amount depends on age and circumstances.

Work Allowance: UC is withdrawn as earnings rise. For every net £1 earned, UC is reduced by 63p (formerly 65p). In certain circumstances, there is an allowance of earnings before the taper operates, viz., if the applicant has a child or a disability or health condition that affects ability to work. The amount that can be earned before the taper operates is called a 'Work Allowance'. The taper was previously a bit steeper (65%) but Work Allowance

² See www.gov.uk/help-with-childcare-costs

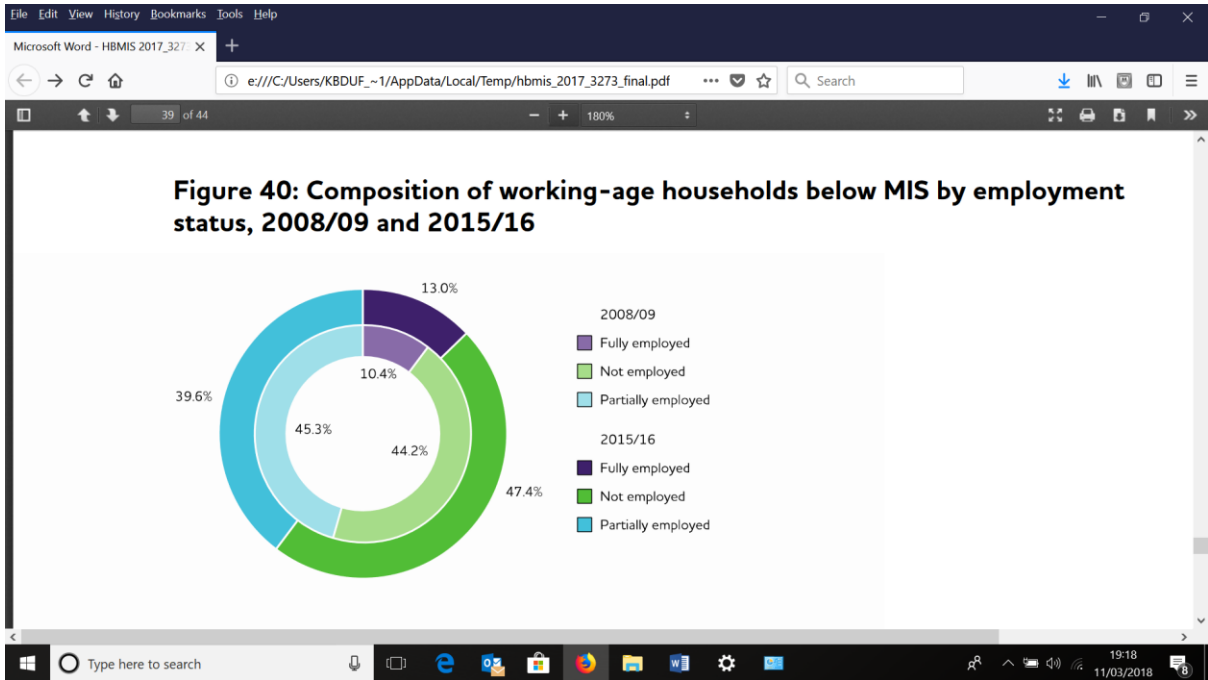
³ See www.gov.uk/universal-credit-eligibility

rules applied to more groups formerly than it does under UC regulations and many fewer people are eligible for Work Allowance. Since April 2016 the value of Work Allowances (essentially earnings thresholds) is significantly lower.

Work Allowance

Circumstances	Monthly work allowance
Applicant has help with housing costs	£192
Applicant does not get help with housing costs	£397

Appendix 2: Figure 40 Composition of working age households below MIS, by employment status, from Padley, M. Martinez, LV. and D Hirsch (2017) *Households below a Minimum Income Standard: 2008/09-2015/16*, Joseph Rowntree Foundation, November, p36



Promising practices on in-work poverty

FICHE

This document will serve as a guide for structuring and submitting contributions. You will find a general description of what should be in every section, as well as examples of how they should look like. The examples provided are merely a selection of ideas to serve as a guidance and should not be in any case regarded as prescriptively limiting NNs contributions to this publication.

The desired length of your contribution is 1-2 pages.

At the end of the document you will find a Checklist on criteria for promising practices, readapted from the one used in [EAPN Booklet on Social Innovation](#). This will help in identifying and selecting promising practices on in-work poverty.

Identification information
National Network: Independent Workers Union of Great Britain (IWGB) Contact information: Sebastien Flais sebastienflais@iwgb.org.uk
<i>Living Wage Accreditation Scheme (UK)</i>
Context (1-2 paragraphs)
<p>The biggest issue our members face is precarious work as a result of companies denying of basic employment rights in the UK, spurred on by very poor enforcement from the government. The issue is stereotypically associated with the rise of so called “gig economy” but can be found in traditional employment too.</p> <p>Despite being employees, workers at the University of London are denied genuine access to trade union rights. The IWGB cannot bargain with the outsourcing company because there is already a recognition agreement in place. We are the most active union, but the agreement means that the company complies with Article 11 of the ECHR, regarding freedom of association, and cannot be forced to recognise another union. The University ultimately controls the terms and conditions of the workers, by setting the budget and choosing the outsourcing company, but also denies workers the opportunity to bargain with them, as the company is the legal employer.</p> <p>Across our branches we’re also dealing with misclassification loopholes, commonly associated with app-based employers like Uber and Deliveroo. Companies are increasingly denying workers with rights they are entitled to in law by claiming they are independent contractors who are running their own businesses. In reality, the workers are subject to many conditions by the company – sometimes having to wear a uniform, always subject to the companies’ rates and usually supervised. They are usually “limb (b) workers”, a category of self-employed that entitles individuals to minimum wage, holiday pay, trade union rights and protections against discrimination. Unabated, these practices spread like wildfire across an industry and stretch beyond the so called “gig economy”. In the courier, foster care work and private hire industries, misclassification is standard practice.</p>
Short description of the good practice (1-2 paragraphs)
Ideally, the companies will follow good practices of their own accord by providing the union that represents the workforce the ability to negotiate and follow the law. This is unlikely so unions

have to think creatively to organise precarious workers and act as vehicles for political change. We have often used aggressive campaign tactics are usually the way forward without recognition – we secured the London Living Wage and won 4 pay rise campaigns for couriers through strikes and protests. Another option is by going through the courts. We have won misclassification cases with couriers from CitySprint, Excel (now a part of CitySprint), Addison Lee and The Doctor’s Laboratory (TDL). As a result of further legal action, we also have a collective bargaining agreement with TDL, the first in the UK’s “gig economy”. We also have an ongoing case against the University to entitle the outsourced workers to negotiate directly with the university.

The government can make the most meaningful difference by enforcing the law. There is little incentive for employers to comply – CitySprint had to pay 2 days holiday pay as a result of breaking the law. As a result, once misclassification is in one place, most companies will follow and cut corners for a profit. We have recommended stricter sanctions enforced by an independent and well-resourced body to the government as a solution.

Briefly explain how the chosen practice satisfies the criteria in the checklist (1-2 paragraphs)

1. **Impact on in work poverty:** Our campaigns concentrate on improving terms and conditions at work. Our pay rise and London Living Wage campaigns immediately improved members’ conditions at work. Cases can be slow to provide results – the Uber worker rights claims were made in 2015 – but they are useful to expose bad practices.
2. **Empowering:** We make sure that the workers’ voice is the strongest in the union. 14 of the 19 positions available on our Executive Committee are occupied by branch officials, who are all workers in their respective branches (eg all officials in the couriers’ branch are former or current couriers). If members ever experience an issue, there is a weak bureaucratic barrier for them to raise it with the highest officials. We also provide the branches with a lot of autonomy ourselves.
3. **Sustainability:** Our model that gives members empowerment is also how we provide trust. The mutual trust ensures sustainability.
4. **Needs to contribute to positive changes in attitudes, mindsets, and values:** By fighting issues like misclassification, we are putting the worth of workers at the forefront of the discussion. Fighting for basic rights when workers are exploited, either through de jure or de facto means, exposes employers’ never-ending desire to cut costs at the expense of their workforce.

Provide direct experience of people taking part in the action (1-2 paragraphs)

Introduction video to the union featuring several members -

<https://www.youtube.com/watch?v=htalluWKN0g>

Video including our members on limb (b) worker status -

<https://www.facebook.com/couriers.andlogisticsbranch/videos/1781473865276082/>

Article in the summing up our work in the so called “gig economy” -

<https://www.theguardian.com/politics/2018/jul/01/union-beating-gig-economy-giants-iwgb-zero-hours-workers>

Sarah Anderson, chair of the Foster Care Workers Branch on the troubles without rights -

<https://www.theguardian.com/commentisfree/2017/aug/07/foster-care-workers-dedication-scrutiny-no-employment-rights>

ABDUL ON WORKPLACE APARTHEID

Transgender courier faces discrimination at work with no right to grievance -
<https://www.theguardian.com/commentisfree/2018/jul/17/transgender-woman-gig-economy-humiliated>

Outsourced worker speaks of bullying at workplace -
<https://www.youtube.com/watch?v=ZyVMIE67idY>

Outsourced workers and members say why they support the IWGB's campaign to end outsourcing -
<https://www.youtube.com/watch?v=05iGicrd2gg&t=129s>

Any additional information

Kathy K

Views on the benefit system

The system

Since the last 20 years the system has got worse, it seems to have lost its humanity and its perspective

We used to feel safe, it was difficult and going downhill. But we felt safe

Since the Tory government took over I have lived in fear.

My son is disabled and we have found out that the system has lied about him, and he felt ignored. I had to fight to get a judgement of sanctions overturned for a year treated like a nonentity, I felt that the system was detached from real life.

More recently my son has struggled, and was bullied by the system, to the point of him thinking about suicide.

The system was attacking him, threatening him... Driving him down.

He is now working and the zero hours contract isn't taken into account, the job centre can't deal with flexible hours he was pushed onto universal credit.

My son walks 2-4 miles to work early in the morning to work, he is not well. But he prefers to make this effort, instead of walking back into the JCP. At 4am in the morning he sees and feels threatened by crime, and is afraid.

He can't afford the basic medicine that he needs, due to his status. He has to turn to me for help, and this is deeply shameful for him.

We are not really living but just surviving.

The fear of sanctions and the way he was treated puts him off going back. He was once told in a very nasty manner "If you don't do what we say, looking for jobs for 35 hours a week, or doing what we say or going where we say, even that you are working, you will be sanctioned"

His employer was not even taken into account, undermined. Worse was that if they do not like his efforts he will be sanctioned eleven pounds a day for three months. Working while ill in pain or disabled means that is one thing too much.

On Universal Credit we have learnt about the staff have a free licence to abuse people's human rights.

Where we live there are not the services we need, a lot have closed down.

Access to the internet is not easy, I had to buy him a phone, and the info given by the JCP is always wrong.

It goes beyond worry, we feel it is deliberate. I have only had one good adviser in my life. I feel like a puppet, and lack of choices.

We feel degraded by the system, I /we are spied on. Even our Facebook is looked into by the system, they stated it at the first interview there is a malicious and construed action going on. We read about it in the Guardian.

Our private life is dived into, and where is the right to privacy.

There is no real constancy across the country.

In my experience we live in fear, the sanctions hanging over us brings fear. The system has a negative view and a negative stance over us.

The recent benefit changes have created a culture of actual bullying for targets, bullying and threats. ie) 'if you have a cat, you can bend down and therefore work' judged. Many trick questions.

Medical evidence seems no longer to be proof, they come to your home and quickly speculate on their own terms. The new PIP system the medical proof was discredited and the forms are complicated. We feel like cattle, been prodded through a grid, even if it is harmful. We are policed and ignored, our integrity not taken into account.

There are too many personal attitudes and opinions of individual advisors are changing personal care and policy.

There is not a safety net, there is not humanity left in the system, you can come out of hospital and end up on the streets.

I know people living without food and heat while waiting for assessment.
It feels like a tactical move to stop us claiming, to push us into unsafe working environments.
The uncertainty, the terror, extreme oppression is becoming commonplace.

REPORT OF EMIN SEMINAR: A LIFE IN DIGNITY

St Martin's, 7, Peacock Lane, Leicester, 9.30-12 o'clock, 23 May 2018

Organised by EMIN (European adequate Minimum Income Network www.emin-eu.net.) and

EAPN UK (European Anti-Poverty Network www.eapn.eu).

Key Messages

Three priority messages

Poverty is a trap not a choice: minimum income (social assistance) is a right and people are entitled to take up their right; adequate minimum income and living wages benefit the whole of society.

Communication

Focus on: the positive benefits to society of adequate minimum (social assistance) incomes and wages; make the moral arguments and use 'moral' figures to make them publicly; when communicating with the public stay away from statistics and repetition of negative myths even to challenge them, stay positive; provide real case histories to influencers. Arguments must be reframed, and social media should be used to tell new stories in new ways.

National policy

Participants recognise the links between the benefits system and the labour market. The positive principles for adequate income are: a stable and adequate safety net; a system that supports people to move in and out of insecure work; more consistency in the level of the safety net as between working age people and pensioners. Priority for wages is to campaign for the real Living Wage and for better access to trades unions for atypical and gig economy workers.

Priority changes to the benefits system and the labour market are focused on policies that have a major negative impact, but weak public support, campaigns that can be won. These are: an end to the 2-child policy and to the benefits freeze; an end or reduction in zero-hours contracts and better rights for agency workers.

Local policy

Build on the partnership working that has been encouraged by Universal Credit. Given the potential scale and depth of local impact, organisations should put more resources into training, including volunteers, to support people in the transition to Universal Credit. Include small organisations as well as large ones. Put tailored information and advice resources into areas of deprivation.

To combat poverty, encourage more effective cooperation between public authorities, trades unions, NGOs and employers. Consider establishing a local forum on achieving adequate income and a local campaign on the Living Wage. Local authorities can explore incentives to encourage take-up of the Living Wage and use their procurement policies to support that.

European policy

Support the EMIN campaign for upward convergence in minimum incomes and promote the principles of adequate, accessible and enabling minimum income in the UK context.

Notes

- I. The agenda for the Round Table is attached as Appendix A, along with the publicity posters for the EMIN events in Leicester. As well as the Round Table these included: evening of 22 May, Highfields, Leicester - the Campaign Bus visit to the Melbourne Centre, hosted by LCS CIC; 23 May 2018, Humberstone Gate, Leicester - the Bus open to the public for campaign information. Photos of the bus visit events in Leicester can be found on the busblog see www.eminbus.eu
- II. Slides for Round Table speakers Fintan Farrell and Donald Hirsch are attached as Appendix B1 and other Round Table background pack material on benefits take-up is provided as appendix B2.
- III. General leaflets explaining the EMIN campaign and the EAPN network are attached as Appendix C.
- IV. The Round Table took place in the context of the EMIN campaign bus tour across Europe. The EMIN campaign at EU level aims to influence the implementation of the European Pillar of Social Rights. The Pillar can be found at https://ec.europa.eu/commission/sites/beta-political/files/social-summit-european-pillar-social-rights-booklet_en.pdf
- V. Videos of support from UK East Midlands MPs Ruth George, Jon Ashworth and Chris Williamson and MEP Rory Palmer, MEP can be found on www.eminbus.eu
- VI. In the UK, besides Leicester, there have been three round tables in Glasgow on the following topics in the context of combating poverty: *Basic Income*, *Universal Credit* and *Making Work Pay*. Grass roots discussion groups with people with experience of benefits have taken place in London. Reports of these are available. There will be a final conference in Manchester in late October.
- VII. The petitions connected to the EMIN campaign have been launched and are open for several months. The UK petition will be formally launched at the final conference in November. They can be found at
 - a. EU petition: <http://you.wemove.eu/campaigns/Guaranteed-Minimum-Income-Scheme>
 - b. UK petition: <http://you.38degrees.org.uk/p/emin-uk>
- VIII. For further information about EMIN in the UK contact k.b.duffy@dmanthony.plus.com

Context for the Round Table on Adequate Minimum Income

The Round Table on Adequate Minimum Income took place on the morning of 23 May in St Martins, Leicester. It was chaired by Mark Mizzen, Leicester and District Trades Council.

The aim of the event was to discuss the state of play on adequate minimum income, locally, nationally and European level, and to take forward some key messages for dissemination and follow-up at each level. The event took place in the context of the EMIN campaign on adequate minimum income, a European project in part funded by the European union programme for employment and social innovation (EaSI).⁴ The campaign aims to influence the implementation of the European Pillar of Social Rights, proclaimed in October- November by 27 of the 28 EU Member States. Right 14 refers to the right to adequate minimum income. The Leicester events took place in the context of one part of that campaign, the EMIN Campaign Bus visits to 32 countries, including 4 non-EU states: Norway, Iceland, Croatia and Macedonia. The Bus tour aimed to 'meet the public' and raise awareness of the need for upward convergence of minimum incomes across Europe. The campaign also aimed to encourage agencies and organisations to strengthen their cooperation to achieve adequacy.

As well as the Round on adequate minimum incomes, the Leicester Campaign Bus visit of 22-23 May included an evening dinner for the Bus participants, hosted by Hassan Ali and Musa Alibhai of LCS, with a welcome by the Melbourne Centre Manager Mr Khan and with the support of EAPN England and the presence of Mr Haider of Leicester and District Trades Council. There was a performance by Red Leicester choir, songs from Fintan Farrell, and a recitation from the Quran by Hassan Ali. The

⁴ See <http://ec.europa.eu/social/easi>

theme of the evening was integrating communities. The Bus was parked in Humberstone Gate in the centre of Leicester on 23 May, where it was welcomed in speeches by the Mayor of Leicester, Sir Peter Soulsby and by members of EAPN in the UK. There were performances by small groups of Del Bhangra and Red Leicester choir, continuing the theme of integrating communities and working together to achieve adequate minimum income. Bus participants from Belgium, Ireland, Norway, Iceland and Finland, members of EAPN in the UK including Migrant Voice and Poverty Alliance, Derbyshire Unemployed Workers Centre, LCS, Unite Community and the Indian Workers Association informed the public about the campaign and collected petition signatures for the campaign on adequate income. The event took place on weekdays when Parliament was sitting. Prior to the visit three East Midlands MPs, John Ashworth, Ruth George, and Chris Williamson, and one MEP, Rory Palmer, were contacted by EMIN and in short videos expressed support for EMIN, combating poverty and ensuring adequate minimum income. The Leicester Round Table took place parallel to the Bus visit.

Leicester is a very diverse city with a strong, positive civic tradition working to meet economic challenges and address low pay and underemployment. Universal Credit, a revolution in the principles and delivery of the social assistance system, is being rolled out by post-code, across the UK. Roll-out in Leicester of full service Universal Credit took place on 13 June 2018. Therefore, the Round Table of 23 May was an apposite moment to discuss what we mean by adequate income, what might be the impact of Universal Credit and how can we improve minimum incomes.

Summary of inputs

Introductory speakers

Speakers who welcomed the participants and the campaign are Mark Mizzen of Leicester Trades Council; Christina Mottram, the Social Responsibility Support Worker for the Anglican Diocese of Leicester, who read a message from Alison Adams, Dean and Social Responsibility Enabler, and Nazek Ramadan of Migrant Voice, chair of EAPN England. Peter Kelly, Director of Poverty Alliance and Vice-President of EAPN, introduced EAPN, which has member networks in 32 European states, and outlined the difficult political and social context for achieving adequate minimum income.

The European campaign

Fintan Farrell, EMIN project Director, described the Bus campaign: 2 Buses, 32 countries, 120 programmes and over 1000 volunteers. On the 23 May, there were bus visits in Leicester, Reykjavik and Thessaloniki. Fintan reminded people to 'talk up' the positive value of social assistance safety nets, without which people were forced into intolerable choices, with negative consequences for those individuals and wider society. The EMIN aim is *adequate* minimum income, accessible and enabling. As there are comparative data on incomes, the ambition is to set a *floor* at the EU poverty line of 60% of median household income in the member state. There should be budget standards to ensure that needs are met, but there is much work to be done on a common expenditure-based framework. Only two schemes in Europe meet the 60% goal, and then only for some groups. The pressure is for downward competition. But the need is for upward convergence. It is impossible to advance European cohesion while minimums vary from 80 euros a month in Bulgaria to 1300 in Denmark.

We need positive messages about the impact of schemes (without which poverty would be two to four times higher) and to focus our campaign on your right to social assistance – everyone can fall on hard times - rather than on the much more minor problem of fraud.

The local situation in Leicester

Hassan Ali and Musa Alibhai of LCS, founded a grass-roots organisation working in a culturally strong, but economically deprived area, with a high percentage of residents of minority ethnic origins. They spoke of rising poverty and the high numbers of residents who would be affected by changes to minimum income. They asked for greater inter-agency cooperation and more local funding that can get to the hard to reach, to help meet the challenges.

Reiza Khan a city welfare rights worker, spoke from his experience. 50,000 households are likely to be directly affected by the move to Universal Credit (UC). The single biggest number, who may lose significant sums, are the 16000 on Employment and Support Allowance. He noted the much higher rate of sanctions under UC than the legacy benefits, but that most claimants would be people with more complex needs and greater difficulties in the labour market. Reiza said that the City had learned from implementation issues elsewhere and noted the Local Authority's preparedness and mitigation plans, and some recent Government adjustments to policy that will improve the situation for claimants. Nevertheless, he anticipated that there would be big challenges on limited resources.

Income adequacy at UK level

Professor Donald Hirsch, Director of the Centre for Research in Social Policy (CRSP), Loughborough University, focused on whether the social assistance safety net meets need, what is needed to thrive, to fully participate in society. Donald outlined the Joseph Rowntree Minimum Income Standard (MIS) which is a deliberative, consensual approach to defining needs. These are then costed as a basket of goods and services and uprated for inflation. They are also rebased regularly as social change affects needs. Civil society groups make use of the MIS, in particular the campaign for the Living Wage. It is not used by Government in setting benefits, indeed there is no standard of adequacy.

Working-age benefits meet just over one-third (single people) to half (families) of need and the proportion of costs covered has fallen over time. In four ways the system is now less adapted to meeting need: The minimum income guarantee for retired people is about twice what people of working age receive, and close to the poverty line; the benefits' freeze is reducing the real value of working age benefits; large families get little more than smaller ones as a result of the 2-child policy - a major change in the principles of the system – and even the basic minimum is eroded due to frozen housing allowance in the face of rising housing costs and a cut in council tax rebate. On average, a single person on the basic £73 a week after housing costs has in effect £66. The safety net is no longer safe, and the system is a fortress against people claiming welfare. The government relies on getting people into work at the higher minimum wage, but people need protecting against insecure and fragile work.

Tess Lanning, Director of the Living Wage Foundation, focused on the other side of adequate income, low wages and insecure work. The Living Wage campaigns for employers to voluntarily change their practices and to provide wages people can live on. They have had some major successes – for example with public authorities, banks, football clubs and airports.

The MIS is used to calculate the level of the *real* Living Wage. The Government has a National Living Wage, (i.e. the legal minimum wage) but 5.9m workers earn below the real Living Wage, which is significantly higher than the government minimum - for full-time workers it is £1800 a year below the Real Living Wage outside London and £4,500 a year lower in London.

There are other issues of fairness in paid work, including job security, training, progression and voice, which the Living Wage Campaign has also begun to address, including new campaigns of voluntary action on managing workers on variable hours contracts and supporting young workers into quality work.

The Panel took questions on why social assistance has been falling in real terms, on the 'hostile environment' for benefits claimants, on how MIS is calculated, on the most important elements of a plan for benefits to reach an adequate income, on dispelling myths about benefits recipients and on persuading UK government not to fall below the standards aimed for in the European Pillar of Social Rights. The panels responses are detailed in the full record that follows this summary.

Workshop discussion and messages

The workshop which followed enabled participants to discuss in groups, three topics: challenging stigma and supporting claimants, lobbying and campaigning on adequate benefits income and on adequate wage income. Priority messages are: poverty is a trap not a choice: minimum income (social assistance) is a right and people are entitled to take up their right; adequate minimum income and living wages benefit the whole of society. Communication should focus on positive messages and use social media to tell new stories in a new way. When talking with the public, stay away from statistics and focus on the moral arguments. Make more reflective media pieces like the film *I Daniel Blake*, provide influencers with real case histories and at local level, step up campaigns to persuade local organisations and agencies of the benefits of adequate income.

The national policy priorities for benefits are to end the 2-child policy and the benefits freeze. These are not so popular with the public and the campaigns can be won. Get the message out that working age benefits are a small proportion of total welfare costs and get the public engaged in deliberating what are the necessary costs of living. More research is needed to feed into campaigns.

Locally, more information and training are needed to enable a wide range of organisations to support people in the transition to Universal Credit. UC has encouraged partnership working and that needs to be built on. In the most deprived areas with specific challenges, more funding is needed to support people to access their entitlements. Large organisations should include small ones in their campaigns and other activities, to increase their reach and enable learning.

The national policy priorities in the job market are to end or reduce zero-hours contracts which interact negatively with benefits entitlements, and to increase rights of agency workers. Trades unions should put more effort into new ways of working with atypical and gig economy workers and work more with NGOs and other organisations, recognising the links between the operation of the benefits system including tax credits, sanctions and new requirements on self-employed workers, and the operation of the labour market. Get the message out that living wages benefit everyone and the costs to individuals and society of lack of social rented housing and low wages topped up by the taxpayer.

Locally, all local authorities should look at ways to incentivise employers to pay the Living Wage, use procurement policies and identify local champions. Local people including those not currently in paid work, should be encouraged to join campaigns.

Peter Kelly concluded by saying how EAPN would take forward the messages of the Round Table. Mark Mizzen thanked participants and reminded them of the Trades Council's demand for a maximum wage to support a socially just labour market.

THE FULL RECORD OF THE ROUND TABLE SPEAKERS, PANEL DISCUSSION AND WORKSHOP DISCUSSION

Introductory speakers

Christina Mottram, Social Responsibility Support Worker for the Anglican Diocese of Leicester, read a statement of welcome on behalf of Alison Adams, Cathedral Dean and Social Responsibility Enabler, as senior clergy were participating in a strategy day. Christina referred to a 2015 speech by Bishop Tim Stevens regarding the findings of the Poverty Commission⁵. The deprivation figures showed clear evidence of hardship in the City and County. Uncertain employment, lack of transport, increasing household costs and debt contributed to hardship. Low wage employment is widespread. Many foodbank clients are in paid work.

The Diocese welcomes initiatives which call us to account on eradicating poverty and on employment practices and wage levels and other areas of mutual responsibility important for decent living achievable for all.

Nazek Ramadan, Director of Migrants Voice and Chair of EAPN England welcomed those present and thanked colleagues in Leicester and from the rest of Europe who are participating in the EMIN Bus campaign. Most of them were just then down at the Bus in Humberstone Gate, informing the public about the campaign and collecting petition signatures.

Peter Kelly, Director of Poverty Alliance and Vice President of EAPN presented EAPN and its commitment to adequate incomes. Adequate Minimum Income has been central to EAPN since it was established in 1990. EAPN is a network of 31 national networks and some EU level organisations on housing and homelessness, women's rights, older people, and faith-based social organisations supporting people in poverty. The national networks are in almost all EU Member States, plus Norway, Serbia, Iceland and Croatia.

Over the last thirty years, EAPN has had some success in influencing EU level policy, in addition to member networks' activities at national and local levels. At EU level, this includes putting poverty on the EU agenda by getting lines in the Lisbon Treaty and getting EC recommendations on minimum income and on active inclusion; getting an EU target on cutting poverty and an annual process for member state reporting on progress; and getting 20% of ESF money for poverty (30% is the aim for next time). A key success has been voice, embedding the notion of participation of people in poverty in policy developments about them; specifically recognised in the annual People with Experience of Poverty conference, under the rotating Presidency of the EU. This work was built on in the UK, for ten years of the Social Policy Task Force, with DWP officials and Ministers, but was disbanded by the incoming Coalition government in 2010. Progress has not been enough. And in the UK as well as the rest of Europe, we are working now in probably the most difficult climate for an anti-poverty network that there has been in 30 years.

⁵ See the Leicester Child Poverty Commission (2015): Update on the Commission's Recommendations, March, accessible at <https://www.leicester.gov.uk/media/179784/child-poverty-update-paper-march-2015.pdf>

Across Europe, social security systems are under attack from austerity policies and their effects. In most countries there are cuts in benefits and restrictions in access and support. EAPN members in many countries have noted in their case-loads and other activities, an increase in in-work poverty, which was not on the agenda thirty years ago. EAPN has broadened its focus to engage with new allies, on decent and secure work, living wages and the future of work. The political climate of rising populism and xenophobia is undermining the solidarity required to fight poverty. The challenge is to defend those at risk of poverty and to defend the values and principles which inform that, and the gains that have been made. We need to find new effective ways to work together to achieve that. In this Round Table, we are going to discuss the challenges and ways of making our case. Across Europe, solidarity is needed to build and guarantee a life in dignity for everyone.

Speakers on adequate income at European, UK local and UK national level

Fintan Farrell, Project Director of EMIN: the aims and activities of the EMIN project (for data, please see attached slides by Fintan Farrell in Appendix B1), introduced the EMIN campaign aims of adequate, accessible and enabling Minimum Income for those of working age, and the EMIN activities.

First, Fintan thanked Leicester for its warm welcome, and the contribution to that made by the City Council, Leicester and District Trades Council, Unite Community and the Anglican Diocese of Leicester. He thanked LCS CIC for hosting the excellent biryani dinner in the Melbourne Centre the evening before, beginning with the wonderful songs of struggle from Red Leicester choir and Hassan's beautiful recitation from the Quran, on the theme of bringing communities together. Fintan thanked Dr Katherine Duffy, UK EMIN coordinator, EAPN England and UK for organising the campaign visit and other EMIN UK events.

The EMIN campaign Bus: there are two, travelling in opposite directions across 32 countries of Europe, in 64 days with 120 programmes, of which Leicester is one. There are normally 5-12 people on each Bus travelling across countries, plus additional people on the Bus within each country. Two countries - Iceland and Cyprus, have either no suitable ferry possibility or a very expensive other route, but they did still have a Bus campaign visit. The day of the 23 May, one Bus was in Leicester, England, another in Thessaloniki, Greece, and a third in Reykjavik, Iceland.

Fintan spoke of his thirty-year personal commitment to fighting for adequate social assistance, the income of last resort, which is the definition of minimum income. It is received by those in need, who have no other sufficient resources, whether out of paid work, or in paid work and needing top-ups to their income. His work is driven by his personal experience of being young and struggling in 1980's Ireland, including a period when he needed social assistance which enabled him to give his mother money for his board and to have a bit of social life. In a money society, you need money to participate. Fintan was able to keep his place in society and it was a springboard to a better future. With inadequate income, people are forced to make intolerable choices, and some may end up in informal work and petty criminality, and forms of modern slavery, and become defined by it. It is important to remember what life would be like *without* social assistance schemes in Europe. Poverty would be between two and four times higher. Yet we've taken them for granted and given them a hard time. People worked and fought for them and it is important to celebrate what we have.

EMIN is an informal network, funded by the EU, coordinated by EAPN, with partners from the European Trades Union Confederation (ETUC), some public authorities and the University of Antwerp. But everyone can be EMIN; you do not have to attend another meeting, just work where you are on building awareness and achieving adequacy. Minimum Income is not just good for those

who receive it, but for the whole of society. Awareness building is EMIN 2, the current project. EMIN 1 was a mainly desk-based review of the state of play on Minimum Income Schemes across Europe. EMIN 3 will be about building a network of national public authorities responsible for the schemes. There are possibilities beginning to happen. A French Minister who came on the Bus has offered to host the final conference. Fintan had a meeting with the Portuguese Minister who is supportive and really understands the value of good minimum income schemes. There is a cross-party group in the European Parliament that EMIN reports to on a six-monthly basis. The aim is to develop a common framework at EU level for adequate schemes.

Our EMIN ambition is not minimum income but **adequate** minimum income schemes. We have concretised that as setting the benefit at least at the EU poverty line (60% of median household income in each Member State). Only two European schemes currently achieve that, Ireland and Denmark, and only for some groups. (The UK just about achieves 60% for retirement pensioners, but people of working age receive less than half of it, and it is not guaranteed). Access is getting more difficult in Ireland and there are more conditions attached than before. Denmark has cut its minimum incomes for people aged under 25 years. EMIN wants also an expenditure-based budget standards mechanism as a reference, to ensure schemes do lift people out of poverty, as 60% of median buys little in the poorer Member States. There is further work to be done for a common approach to budget standards. But cohesion will be impossible while gross inequalities in income and schemes exist across Europe. Bulgarian schemes, if you can get access, pay 80 euros a month, Denmark pays 1300 euros. Some schemes allow access only for 6 months. There are some improvements happening in some countries with very poor schemes, and Italy and Greece have only in recent times introduced national schemes. But we are at risk of competition downwards; we need upward convergence across Europe to guarantee adequate support for all who need it, for as long as they need it.

We need cooperation and to win the arguments, starting with our own people in our own organisations and networks. We hear a lot about benefit fraud, which is less than 2% of spending anywhere in Europe, but non-take-up of benefits to which people are entitled, is between 20% and 70% across Europe. We hear little or nothing about that. If people sink into poverty, they can get caught in it and lose hope; they can be 'ghettoised'. Social housing in Finland is not an undesirable tenure because there are good incomes and good services. Preventing poverty is crucial to cohesion. Quality schemes support people to transition easily to the labour market and underpin quality jobs. Minimalist schemes and cuts to them can drag down labour market wages and conditions. Quality schemes are not only good for poor people, they are good for all of us. Schemes for poor people only, are usually poor schemes.

Two points for clarity, about what EMIN is not:

- The EMIN goal is a *floor* not a ceiling, and some groups, such as people with a disability, as now, will need supplements to that to be lifted out of poverty.
- The EMIN call is not for Basic Income, with proponents of which we share many values and objectives. We too want less conditionality, more respect, more enabling support. Basic Income is a concept, or rather, various concepts, still to be worked on further. A real Basic Income scheme, providing an individual income for all people, as of right, with no conditions, is not in existence anywhere yet. Estimates of its cost vary but are very high for any inclusive scheme. For those who cannot build on it with other income sources, it may not lift them out of poverty. It will require very big changes to society.

EMIN 's ambition is for adequate minimum income, (i.e. adequacy of the social assistance scheme), which is household based. So EMIN builds on existing social assistance schemes. The EMIN goal of schemes that pay at least at the poverty line is not ideal, but it is a significant uplift, and doable. Right 14 of the 20 rights in the European Pillar of Social Rights⁶ calls for adequate minimum income. The Pillar was proclaimed last October 2017, by 27 of the 28 EU member states (i.e. all except the UK). But you can't eat the book. We must turn it into reality. EAPN is working with the European Parliament on developing a Framework Directive.

Reality on the ground in Leicester

Hassan Ali and Musa Alibhai, LCS CIC

We were very happy to host a wonderful evening in our Centre yesterday.

Leicester is rich culturally and historically but faces economic challenges. Leicester city and in particular Highfields, where we are based, face a lot of poverty with a high proportion of residents, in and out of paid work, needing income support. Our vision is that everyone will have access to adequate income and effective support services, so that everyone is able to take more responsibility for their own lives. Our mission is to support people to be able to better engage with wider society and to integrate communities.

We have been in existence for 18 months and we provide a wide variety of services to the local community, from our Centre, which we are building into a hub. People face very difficult challenges because of loss of good jobs and inadequate income, with long-term effects on health, expectations and capacity to participate in society. Good services *and* income are both necessary to enable people to self-manage, make informed decisions and participate in social networks.

People have common interests whatever their ethnic background and share values. We must work better together as poverty is growing day by day, month by month and year by year. We are undertaking training provided by Unite Community, to support us to assist people in the transition to Universal Credit and point them in the right direction. We would like to access further support, so that we can better support our communities, some members of which may face lower incomes or other challenges when they transition to Universal Credit. We need to work together more closely in Leicester and at every level, to achieve better employment opportunities and better income support and access to it.

Reiza Khan, Welfare Rights, Leicester City.

I work in the welfare rights service funded by the City Council. We give advice on entitlements and challenge decisions, we take cases to appeal and tribunal. Universal Credit is the minimum income benefit in the UK; it is still being rolled out, by post-code. It replaces six 'legacy' benefits: Income Support (IS); Job Seekers Allowance (JSA); Employment and Support Allowance (ESA); Housing Benefit (HB); Working Tax Credit (WTC) and Child Tax Credit (CTC). There are already about 3000 households on UC, mainly single adults, who were part of the initial stage of the roll-out of UC. 'Full service' Universal Credit (UC) comes to Leicester on June 13, a city with a population of 330,000 or so. In total, 50,000 households are likely to be affected by UC.

⁶ European Parliament, Council of the European Union, European Commission (2018) European Pillar of Social Rights, EU publications Office, ISBN 978-92-9-74118-0 doi:102792/154364, accessible at https://ec.europa.eu/commission/sites/beta-political/files/social-summit-european-pillar-social-rights-booklet_en.pdf

There are 4000-5000 households in Leicester in receipt of IS, which is paid to carers, whether lone parents or people caring for a person with a disability. Currently, there is no requirement to seek paid work, but this will change under UC. There are around 3000 households in receipt of JSA, which is paid to those able to and seeking work. There are about 16000 households in receipt of ESA, which is paid to those currently unfit for work. WTC is paid to those needing paid work income top-ups, because of low hours/ low pay. CTC is paid to those caring for children. HB is paid to a mix of people in and out of paid work, because of low incomes. There is one other UK benefit which is a part of the social assistance (i.e. minimum income) mix, but it remains outside of UC; this is Council Tax rebate.

In UC there are reductions in premiums or higher thresholds for access, for example for disability premiums. While some households will gain, usually small amounts, many households may lose significant sums compared to their previous ESA or tax credits. We have challenges now, supporting people, especially those with mental health conditions, who are more vulnerable to being 'sanctioned' for not fulfilling work requirements. The rate of sanctions is up to 20 times higher under UC than legacy benefits, and it applies to more groups, so these challenges are likely to increase. The government has brought in tougher sanctions, yet the number of those in receipt of JSA (claimants found fit to work) has been consistently falling, therefore the sanctions will apply to groups with more complex needs in accessing and sustaining paid work, or more paid work. Already, we have seen some single people on UC being left on very low levels of income, because whereas people received a mix of benefits previously, UC rolls these up into one benefit, and sanctions apply to the whole of it. We are seeing damage to some people.

Regarding access to benefits, to date, we have had few people failing to complete and make a claim. But in other areas of the country already full-service UC, there have been high levels of failing claims and some people don't get as far as making a claim. Based on that, we expect greater problems for some people with a disability, in accessing their previous levels of financial support. As well, Gingerbread, which is an organisation for lone parents, has said that that conditionality is much tougher for lone parents, who are expected to get childcare, get a job or get sanctioned, but childcare is both very expensive and sometimes difficult to find. The 'Benefits Cap' will also bite more, as before, it applied only to Housing Benefit, but will now apply to the whole of the UC benefit. EU nationals will be affected, they require very extensive evidence to prove their rights.

As an organisation, we are looking to get adequate information out to people, and we have learnt from other areas. The City Council has been working with DWP, to support a smooth transition; it has a plan to mitigate risks, for example: by minimising risks of eviction due to rent arrears; providing more access to IT (claims must be completed and managed on-line), and enabling clear lines of communication between advice agencies, the City Council and the DWP, to support vulnerable people and alternative ways of making a claim. There have also been some recent government easements to policy: for example, longer duration to repay the advances made while people wait the five weeks before their first payment is received following their initial claim.

Professor Donald Hirsch, Centre for Research in Social Policy, Loughborough University: Are UK minimum income benefits adequate? (for data, please see attached slides by Donald Hirsch in Appendix B1)

We have heard quite a lot about actually *accessing* minimum incomes. I will focus on how we know that the safety net, the minimum income, is *adequate, meeting people's needs*.

At EU level, for data reasons, the best we can do yet is the 60% poverty line for incomes. But it doesn't tell you what you *need, not just to survive, but to thrive and fully participate in society*.

The Joseph Rowntree Minimum Income Standard (MIS)⁷

We create conversations amongst groups of members of the public. What do people need as a minimum standard of living in the UK? It is more than food, clothes and shelter; it is the opportunity to participate in society; not everything you want but enough to participate. For example, people agree that you cannot go a year without a break. But not two weeks in the Costas – a week self-catering in the UK. What people need to participate changes over time (e.g. access to phones and computers) and the cost of the basket of goods must be established and updated. The MIS does both of those, using experts to establish the costs and prices for the basket of goods and services and converting these into minimum incomes required by various groups, e.g., single pensioners, lone parents, households of two adults and three children and so on. The cost of living has gone up faster than minimum incomes over time. In July 2018 we will publish work on the cost of living at minimum income level over the last ten years.

The MIS is used by various groups in civil society, including the Living Wage Foundation, who use it to establish the required level of the 'real' living wage. But it is not used by government to set benefits. Looking at MIS for various groups, compared to benefits levels, we find that it is nearly enough for pensioners. They are doing relatively well although many pensioners will have additional costs, for example for hard-to-heat homes. Families with children get slightly over half of what they need. After housing costs, single people get less than half of what they need. There is no rationale for these variations, it is determined by history and politics and notions of what people 'deserve'.

Over time, the proportion of needs covered has fallen. Important causes are the four-year freeze on benefit levels, price inflation and costs rising faster than prices. A single person used to get 42% of costs covered, now 36%. Families have fallen from 2/3 to half of what they need. A big change is that up till 2010, things were improving for families with children. Now they are deteriorating across the board. The clearest example is the two-child policy. In the same year, the UK and China moved to a 2-child policy – but from different directions! In future, the benefits for a couple with four children will be little more than for two children. What you get depends on when your third child was born. Before April 2017, the family would get £627, after, £290. This is a big change in the mentality of the system. An extra child – be it on your own head. And it assumes that the family know their future employment and income when having a third child. But anyone can fall on hard times.

There are four different ways the system is now less aligned to meeting needs.

- 1 At age 65, suddenly the safety net becomes twice as good, due to the Minimum Income Guarantee, which applies only to people of state retirement age and pays out Pension Credit to those whose incomes are below it.
- 2 Because of the benefits freeze, the real level of working age benefits is falling.
- 3 Large families are not getting much more than small ones. They get a bit more Child Benefit, but don't get the much higher Child Tax Credit for the additional children.
- 4 Even the basic £73 after housing costs for single people is being eroded further in two ways. Recipients must contribute to Council Tax (usually around 20%) when before they had 100% relief. Ditto, they now must contribute to their rent. Most single people are in private rented accommodation where rents are rising but local Housing Allowance is frozen. On average, single people aged over 25 are left with £66 a week to meet needs after housing costs, and much less for those aged under 25.

⁷ See <https://www.jrf.org.uk/income-benefits/minimum-income-standards>

The safety net is no longer safe. Without a change in policy, we are leaving people on the edge of destitution, if they have not got other people they can fall back on. The system used to be about support to keep people in society; now it is a fortress against people claiming welfare. Look at DWP research priorities. None of it is about whether people get enough to live on. All of it is about how to get people off its back. It is not about protecting people. Sanctions - to show the Government is tough on 'welfare'; no real concept of adequacy; complete disinterest in what is 'enough'. When asked, the Government says its priority is the National Living Wage (i.e., the legal minimum wage, not the Living Wage as determined by the Living Wage Foundation, which is higher). If people on minimum wage work full-time and can get enough work, the Government's assumption is that they can let up on the level of benefits. It is a crude version of how labour markets work. People need protection against insecure and fragile work. It is not only about a safety net if you are not in paid work, but what is happening in work as well.

Tess Lanning, Director of the Living Wage Foundation: Achieving Living Wages through voluntary action

A decent social security safety net is the hallmark of a just society and the UK has declining support and a freeze on working age benefits. At the same time there is a big rise in insecure work and the interaction of wages and benefits affects poverty; many children in poverty live in households with a paid worker. Low wages also affect pension contributions.

The Living Wage calculation recognises the contribution of government support. But our focus is not on influencing policy, but on influencing employers so staff can earn wages they can live on. We don't just rely on policy makers to do things. In 2016, the Government recognised the success of our campaign for a Living Wage, introducing a new higher minimum wage for people aged over 25, called the Living Wage. Researchers found a big change in wages in the first year, but we have not yet won the fight on wages. 5.9 million workers earn less than the Real Living Wage, which is significantly higher than the new legal minimum wage, called by Government the Living Wage. We take the Loughborough University calculations on MIS and turn them into the wage that people need to live decently. The government figure for the UK is £1800 a year lower than the real Living Wage for full-time workers – about three months' rent. For London specifically, it is £4,500 a year less. As well as wages, there are issues about job security, training, progression and voice.

We campaign for employers to voluntarily change their practices – there is transformative power in not only the outcomes, but how you achieve them. The Living Wage campaign began in 2001, amongst faith-based groups and schools in London. We had met the same issue again and again, people in full-time work, sometimes in two or three minimum wage jobs, still had not enough to make ends meet. We marched on some employers, hospitals and city firms, calling for a Living Wage. 600 cleaners and other minimum wage staff at Heathrow got the Living Wage; it started with two cleaners. Hospitals and football clubs also agreed to pay the Living Wage. Speaking and leading organisations in the campaign has given people new skills and expanded the public space.

It is difficult to legislate for some things that underpin fairness, e.g. progression. The campaign for the Living Wage shows how pressure from civil society can create change. Brewdog, the craft beer chain, began to pay the Living Wage in 2014. They wanted a workforce who loved the beer and the brand. They raised the entry level Living Wage and then up to manager level. They abolished zero-hours contracts and workers now have an average of 32 hours per week. Staff turnover has dropped 40% and 80% of managers are recruited in-house. They have a more motivated, more productive workforce.

We have a couple of new campaigns of voluntary action. One is on how to manage workers on variable hours contracts; another is on supporting young workers through structured paths of progression and quality. The actions of the London Mayor and the Scottish Government show how to take a lead on the Living Wage. The Scottish Government has used its procurement and commissioning powers to encourage businesses to implement Living Wages. We want to see all Government bodies and big private sector employers drive the voluntary approach through their supply chains.

Questions to the Panel

Questions to the panel – first set

- 1 Colin Hampton of Derbyshire Unemployed Workers Centre asked why social assistance has been going down since the late 70s early 80s despite evidence showing detrimental effects to society?
- 2 Kevin Lyles (check) of Voluntary Action Leicester asked if the government is creating a hostile environment?
- 3 ? How is the focus group work done for MIS?

Responses

Fintan Farrell

Q1 There are so many causes for why social assistance is being cut.

We only value one type of knowledge – a certain form of economic theory – often called neoliberalism. No matter the evidence against the assumptions of free markets, individual choice and private finance always being possible and always providing the best solution, it is driving the policy agenda. Other social science knowledge about the way things work is totally absent from the agenda and investment in social science new knowledge has fallen. Competition and not cooperation drives how we incentivise people and individual choice governs how we explain their actions. It has fed incredibly negative narratives about social security (now ‘welfare’), including by people we expect to be natural allies of disadvantaged people. Welfare makes people lazy etc., We have allowed this narrative to develop and have stopped showing what social security achieves for society. We must ‘talk it up’ more; defend it a bit more. As campaigners, we must have positive messages.

Donald Hirsch

Q1 We had a social protection system originally based on an insurance principle and stable jobs. We live now in a very different world. But even in that earlier world means-tested social assistance was the Cinderella. Now many more people depend on that Cinderella back-up and we have not developed a narrative beyond ‘dependency’. One reason Universal Basic Income is becoming popular is people are looking for an entitlement system that is not based on the Beveridgean insurance system. But there are huge problems making it universal.

Q2 The hostile environment is being created by the deserving/undeserving fortress imagery.

Q3 Our MIS focus groups are 8-10 people in a category, say, lone parents, of different backgrounds and not all are poor. They go in detail into every aspect of daily living. They deliberate repeatedly until they arrive at a consensus about what is needed rather than what is wanted. This

becomes the basket of goods that are costed and updated for inflation, and from time to time, re-based to account for changes in the way people live.

Reiza Khan

Q2 The Labour Party in office provided extra money to help lift children out of poverty, through tax credits. There was compassion for children living in households on means-tested benefits; children are our future. This has been cut back. Now in our case-loads we see a rise in families with children, who cannot cope. There are squeezes on so many other parts of the system too, including social care. There is a cost to society in poor educational outcomes and potential criminality when people can no longer cope. A lot of my clients do not vote. This is an issue for political parties and trades unions.

Tess Lanning

Q1 and Q2 The Frameworks Institute is doing good work on reframing issues around the politics of the benefits system. One can challenge or chase it, but there is more chasing than challenging including in the Labour Party. The Frameworks Institute looks at what works to change people's minds. Focus on the moral case and not on facts and figures. Get bishops to make the case, not politicians. Focus on collective responsibility, not just how awful it is for individual households.

Questions to the panel - second set

Q4 ? The UK petition asks that UK Government sets out a plan for benefits to reach an adequate income. What are your top three or four agenda items?

Q5 Andrea Burford, Unite Community: How can we work better to dispel the myths in the media?

Q6 Brenda Worrell, Unite Community: The European Pillar of Social Rights is a clearly written short document, not the usual big/ complicated EU document. What can EMIN do to persuade UK government to stick to it when we go?

Responses

Donald Hirsch

Q4 Apart from bringing me in as an advisor! Provide stability, make sure people actually do get their entitlement and medium to long-term, reorganise the labour markets. Make sure what we devote to social security rises in line with the wealth of the country and when things go wrong, maintain a standard relative to the whole society.

Fintan Farrell

Q5 We need new myth-making to dispel false myth-making. Too often we repeat the false story first and people just remember the false story. Just keep repeating seven positive messages.

Q6 The UK may be leaving but it is still part of Europe. There is a new development in Germany which commits to trying to improve common standards. As well as negative things in some countries there are positive things happening too, including at high levels, where they recognise the negative impact of inequality. We now have a real chance of a more social Europe and we must take it.

Reiza Khan

Q5 Things can change quickly. Immigrants had a very bad press; then the Windrush scandal made the news and people asked why did we do this? They are deserving. Things can change quickly. Regarding people with a disability, there are false myths about many of those claiming benefits not deserving their disability premiums, being ‘fake’ disabled. But 75% of unsuccessful claims taken to appeal are successful. We must try better to get this into the press and other media.

Tess Lanning

Q5 We must set out the case with reference to the cost of living and understand the broader work context and quality of work issues. Messages are stuck. People feel it is all about individual choices – even a choice of low-paid work. There have been weak living standards across a large part of the population over the last decade. Living standard stagnation and poverty exploded into public consciousness in the context of Brexit. We need to move on to a less mean, less divisive and more ambitious policy agenda.

Eleanor Davidson also raised the effects of stressful lives on mental health and the need for better access to mental health services.

Workshop Discussion

Katherine Duffy: Three workshop topics for discussion and prioritising:

Workshop participants had three topic areas for discussion and conclusions:

- 1 **Challenging stigma and supporting claimants**
- 2 **Lobbying and campaigning on adequate benefits’ incomes**
- 3 **Lobbying and campaigning on adequate wage incomes**

The workshop output is presented below. It is organised into priority messages, message communication and national and local priorities for improvement in adequate incomes from minimum income benefits and from wage incomes. Points in italics were identified as top priorities or lessons by at least one group.

The **priority messages** are:

1. Poverty is a trap not a choice
2. Minimum Income (social assistance) is a right and people are entitled to take it up
3. Adequate Minimum Income and Living Wages benefit the whole society

To **get the message across**:

Communication

New stories put across in new ways and using social media are needed and the framework should be moral, not economic

- Myth-busting doesn’t work – positive stories are needed
- Real case histories need to be shared with policy-makers, media and public, to show where policy works and does not work
- Promote more reflective media pieces – like *I Daniel Blake*, to the wider public
- When trying to persuade the general public, stay away from statistics, focus on the *moral arguments*, and especially society’s responsibility to children
- *Use social media and look at creative ways of telling new stories* to the public

- Campaigning on take-up can be stepped up using the narrative – claim what you are entitled to – as in the Scottish government take-up campaign
- Local campaigning must be stepped up, to change the perspective of local organisations.

To **support claimants, national and local policy priorities** for change are:

Benefits' policy nationally

- *End the 2-child policy* – it has weak public support and is a campaign that can be won
- The bullying culture around applying for jobs must stop and requirements made realistic; it is a meaningless exercise, flooding companies with applications which are not really looked at
- Clear information from government can challenge myths and stigma around working-age benefit recipients and support entitlements e.g. the HMRC tax statement: on the back it lists how much goes on welfare benefits. It should distinguish between the amount spent on retirement pensions and the amount spent on working-age benefits. But be clear that pensions will not be cut – it is the right of all people
- Have a public version of the MIS deliberations on what is necessary to participate in society: challenge the public about what is necessary for those living on minimum incomes to participate: e.g. access to the internet, mobile phones, TV
- Increase income taxes and wealth taxes to ensure needs are properly covered. Challenge tax loopholes and allowances such as those for expats
- Put support behind petitions – start in your local streets
- *More research – quantitative and qualitative is needed that can feed into campaigns on meeting needs*
- Better diffuse effective campaign work to all relevant bodies so people see campaigns can be effective.

Benefits' policy locally

- Assessments are not fit for purpose: they are biased, there are problems with the nature of the assessments and there are common pitfalls in assessments. More support and advice are needed. An important step can be taken locally: An example is the training being offered by Unite Community in Leicester: NGOs, faith-based organisations and trades unions should step up training for their own staff and volunteers to support people as 'buddies' and to challenge assessments.
- *Universal Credit roll-out has had the positive effect of encouraging partnership; this must be built on*
- *In the most deprived areas – such as Highfields in Leicester (27th most deprived nationally), there is a pressing need for additional funding for information and support, in welcoming facilities such as community cafes, that are accessible to a wide range of people. Given the disadvantages suffered by some minority ethnic groups, locally provided tailored services are needed to understand local pressures and adapt the messages locally*
- Get more organised at the grass-roots and self-organised, but big organisations should support and include small and grass-roots organisations in campaigns and other activities.

Wages and jobs policy nationally

To support living wages, recognise the links between poor labour markets and the benefits system of low benefits and high conditionality. Changes to labour law are needed.

- *End (or reduce) zero-hours contracts;* they are banned in some countries. This campaign can be won. They should not be a main source of income. There is a link to the benefits system: they prevent you from claiming benefits
- Improve the rights of agency workers – they are unable to organise in their own defence. Certain industries see workers as ‘units’
- Encourage people to join a trades union, especially in gig-economy and atypical work sectors, find new ways to organise these workers
- There are positive examples of independent worker struggles: McDonald’s, TGI Fridays; support them better and learn from them
- Provide media with case-work examples of the role of tax credits in topping-up wages and impact of loss of tax credits in Universal Credit
- Show wages are too low to support rents and that there are insufficient houses at social rents
- Ensure people are aware that everyone benefits from better wages and conditions

Wages and jobs policy locally

- Local Authorities should explore incentives to encourage adoption of the Living Wage
- Procurement should include the Living Wage – it should be standard practice in all Local Authorities
- Identify local champions to take up the campaign on the Living Wage
- Involve people not in paid work in campaigns – many were paid workers and will be again, but overall it is about participation and self-esteem
- Leicester is an example of a city where the jobs market has changed and there are fewer less-skilled jobs than in the past. Policies to address jobs, skills and wages have to be stepped up.

Concluding comments

Peter Kelly: Next steps

The excellent Round Table speakers and workshop discussions have provided very practical actions which we will take to EAPN to take forward. There are key priorities for campaigners on adequate minimum income and signposts to where we can make a change.

On administrative changes, it seems that waiting times and IT/ phone access are practical areas where change is possible.

Policy priority changes seem to be the 2-child policy and the benefits freeze, the main driver of rising poverty. These two policies have relatively weak public support; cutting child credits to zero is not easily defended. Uprating benefits - just keeping pace with prices, is a possibility for change. On good news from Scotland, 13% of its Social Security budget is now devolved to Scotland. There is in the new legislation a commitment to annual uprating of benefits.

The Living Wage Campaign is a powerful example of a progressive campaign achieving results. It has literally put millions of pounds into low-paid workers’ pockets. There is much more to be done. 60% of children in poverty live in households where someone is in paid work. You can support the Living Wage campaign locally, including action on quality of employment and ending zero-hours contracts,

which are illegal in some countries. Work with the trades unions to push forward the real Living Wage.

It is fundamental that we change the narrative around poverty and minimum income. Unless we bring more of the public with us, we will be having the same discussions with the same people twenty years from now. The Joseph Rowntree Foundation recently published work on talking about poverty. A new strategy for ending poverty needs new language to promote it.

We must work better together. We have a good anti-poverty network in Scotland, made up of both big and small organisations. It takes time and needs to be a broad church.

The EMIN project has Round Tables and focus groups in other parts of the UK. We will bring all the material together and take it forward. We will make our best efforts to keep contact with you and keep you informed.

Fintan Farrell: Please sign up to follow eminbus.eu and sign the petitions.

Katherine Duffy: ditto, please sign and promote the UK petition as well. We want to change the direction of travel, to have ambition; we state where we want to go and why.

Mark Mizzen thanked all of those present, speakers and organisers. There is a bust of Voltaire in Humberstone Gate. Following the words of Voltaire, that the rich rely on a never-ending supply of the poor, the Trades Council supports also a maximum income on the rich. Leicester and District Trades Council has a Facebook page.

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Issues associated with making a claim, and ending legacy benefit claims

- **UC is claimed and managed entirely digitally** which is difficult or impossible for many disabled people. Any mistakes on the form will likely lead to loss of benefit or a claim being disallowed. - add
- **Automatic issue of UC50** After you apply for Universal Credit, you'll get a questionnaire to fill in. You'll also have a Work Capability Assessment (WCA). This is to see to what extent your illness or disability affects your ability to work.

Based on the outcome of the assessment, you'll be placed in one of 3 groups:

- fit for work
- limited capability for work (LCW) - you can't work now, but you can prepare to work in the future, for example by writing a CV
- limited capability for work and work related activity (LCWRA) - you can't work now and you are not expected to prepare for work in the future"

<https://www.gov.uk/health-conditions-disability-universal-credit>

"If you already have LCW or LCWRA for ESA you don't need to fill in another form or have a medical assessment for Universal Credit. You'll still have LCW or LCWRA on Universal Credit as long as there's no break between your ESA claim and your Universal Credit claim"

The DWP might still say you need another assessment, but you don't. You can challenge your Universal Credit decision if the DWP say you need another assessment.

Ref: CAB Adviceguide

- **Financial cost of Medical Assessments**

Between April 2015 and March 2018, the Department expects to carry out around 7 million assessments which it estimates will cost a total of £1.6 billion.

Under the latest contract with the Centre for Health and Disability Assessments (CHDA) for Employment and Support Allowance (ESA) assessments starting in March 2015, the Department expects to pay £595 million over three years for 3.4 million assessments. This is around £190 per assessment compared with £115 per assessment under the previous contract with Atos. Costs have increased in part due to a higher proportion of face to face assessments and rising salaries for healthcare professionals.

<https://www.nao.org.uk/report/contracted-out-health-and-disability-assessments/>

Published date: January 8, 2016

- **Financial Cost of Appeals**

Figures released to the select committee inquiry show further costs to taxpayers.

The Ministry of Justice spent £103.1m on social security and child support tribunals in 2016-17, up from £92.6m the year before.

In a letter to the committee, the then justice minister Dominic Raab said the average cost of an appeal had more than doubled to £579 in 2014-15 because PIP cases "now comprise a much larger proportion of the caseload" and require more members on the tribunal.

Costs of appeals in the First-tier Tribunal for Social Security and Child Support

Period	Individual cost of an appeal	Total Expenditure in £000s ¹	Total Disposals ²
2013/14	£258	£140,040	543,609
2014/15	£579	£87,357	150,978
2015/16	£591	£92,554	156,535
2016/17	£543	£103,115	190,071

¹Total costs to HMCTS. Costs in relation to the public purse are not held by HMCTS.

²Disposals include cases cleared with, and without, a hearing.

<https://www.parliament.uk/documents/commons-committees/work-and-pensions/11.%20Response%20from%20Dominic%20Raab%20MP%20MoJ%20regarding%20PIP%20and%20ESA%20appeals%204.12.17.pdf>

- **Cost to claimants**

In the first half of 2017-18, 66% of 42,741 PIP appeals went in the claimant's favour.

The figures for ESA since October 2015 show 47,000 people had decisions revised at mandatory reconsideration and 82,219 appeals went in the claimant's favour.

So far in 2017-18, 68% of 35,452 ESA appeals have gone in favour of the claimant

<https://www.theguardian.com/politics/2018/feb/12/disability-benefit-appeals-department-for-work-and-pensions-figures>

FOI request number 1939 dated 4th July 2017 states:

"We do not currently have a performance measure which looks across Universal Credit as a whole. However, within Live Service we have been monitoring the proportion of mandatory reconsiderations completed within 10 days, with the standard expectation being to complete 90% within this time frame"

<https://www.whatdotheyknow.com/request/404735/response/1001127/attach/html/3/FOI%201939%20Response.pdf.html>

Universal Credit deaths have started to be reported by MP's and also in the press.

<https://mzolobajluk.wordpress.com/2015/09/14/the-increasing-death-toll-due-to-the-loss-of-benefits/>

- **Verify**

The Government Digital Service (GDS), which develops Verify, has revealed research showing that while 35% of UC users can set up a Verify account online, 30% are not able to, and the remaining 35% could use Verify, but do not.

“Further research at a job centre showed that out of 91 users, 48 needed help with the process,” according to the latest minutes from GDS meetings with the Privacy & Consumer Advisory Group (PCAG), a panel of independent identity experts who advise on Gov.uk Verify issues.

Further tests at the London Borough of Croydon showed that, even when claimants are given one-to-one support to help create a Verify user account, only one in five were able to successfully prove their identity online using the system.

<https://www.computerweekly.com/news/252434188/Thousands-of-Universal-Credit-claimants-unable-to-use-Govuk-Verify-to-apply-for-benefits> dated 31st Jan 2018

- Claimants cannot make a copy of their claim form

Timing the end of a Universal Credit claim

Your client will need to make sure they don't close their claim until just after the start of an [assessment period](#) so they don't lose out. If, for example, they end their claim 3 weeks into an assessment period, they won't get a payment for those 3 weeks.

If earnings exceed UC levels the claim can be closed and history not accessible.

<https://www.whatdotheyknow.com/request/>

There seems to be a disparity between 'Live Service' and Full Service'. However there is no doubt that sometimes a claim can be closed because of earning too much in a given claim period.

Source: <https://www.rightsnet.org.uk/forums/viewthread/12258/#56861>

Safeguarding:

Published October 2015 The Greenwich Welfare Rights Service found:

“The approach to safeguarding is completely changed in DWP UC operational guidance.[8](#)

The definition of vulnerability used in DWP ESA and WPP guidance is no longer used. UC guidance aligns with DWP vulnerability guidance and recognises that claimants have ‘complex needs’ which can vary according to their circumstances. Complex needs can include health problems, having recently been released from prison, refugee status, etc. This approach removes the focus on people with mental health conditions and we are concerned that its application may become diluted.

Core visits are referred to far less often and there is no reference to visits being required each time DWP is considering not accepting good cause from a claimant in order to protect claimants with variable conditions. There is no longer any reference to minimum requirements, to a DWP duty of care to claimants, or to a moral obligation to notify third parties of potential incidents.

Weaknesses of safeguards

- The safeguards are not enshrined in legislation. The Work and Pensions Select Committee report on sanctions⁹ after the Oakley Review recommended that safeguards be included in legislation.
- The safeguards are not being carried over into UC despite Lord Freud's assurance in January 2015 that they would be.¹⁰

The safeguards do not apply to jobseeker's allowance (JSA). JSA claimants with a mental health condition will not be protected by the safeguards. The Oakley Review recognised that many JSA claimants are vulnerable.

The safeguards are only set out in internal DWP guidance, making it difficult to hold the DWP to account, and meaning that they are not widely known.

www.cpag.org.uk/content/safeguarding-guidance-tool-practioners

Vulnerability

http://data.parliament.uk/DepositedPapers/Files/DEP2018-0759/Complex_needs_overview_V8.0.pdf

- **UC is based entirely on conditionality** for those both in and out of work. Failure to meet these conditions can lead to the imposition of cumulative sanctions which could last 3 years.
- **Universal Credit sanctions**

Details of the UC sanction regime are given in DWP (2018a) and OBR (2018, Chapter 3). The UC regime has similar lengths of sanction to those of the previous benefits for the various 'failures', but there are some critical differences.

Sanctions are lengthened by being made consecutive, not concurrent

Case study: One in-work UC claimant reported being sanctioned for long periods after missing multiple Jobcentre Plus appointments because of unpredictable working hours and variable care demands...

'I'm on my court order for the eviction plus because of my arrears... I kept thinking, 'Why is this happening? Why is this?'... I really was struggling. I fell behind on a lot especially because with the sanctions and then when I got poorly and I wouldn't work and, because of the sanctions, I still wasn't getting my main allowance. I was still getting only hardship of £100 odd and I still had to pay the £100, so I was very, very struggling with that... I just asked them, 'Can you please explain what my money is because I really don't know? I've never had a proper payment and just explain like am I still sanctioned?' They said, 'No, your sanctions have now come up' but now every month I've had the hardship, I now have to pay all them back. So, I think it was like £2000 something that they'd actually given me over the year in hardship payments, so I'm still currently paying them off now... You're in a rut like I've been with the bailiffs... I've never really been in a debt like that and for it to still carry on now to this day escalating; it's not nice for people. It doesn't give you much confidence. It doesn't really make you want to go into work all happy and carrying on, do you know? It knocks you down and down and it wears you out.

<http://www.welfareconditionality.ac.uk/wp-content/uploads/2016/02/WP-UC-Inquiry-WelCond.pdf>

There is a new 'lowest' category of sanction which applies to claimants who would previously have been subject to the milder IS sanction regime. But now lone parents with a child aged between 2 and

5 lose their whole standard allowance, and those with a child aged 1 lose 40% of it, whereas previously both groups would have lost 20%.

<http://www.cpag.org.uk/david-webster> 24th July 2018

- **Hardship payments become repayable**

Legacy Benefit Hardship Payments do not have to be repaid, so as soon as the sanction period ends claimants go back to receiving their full benefit

The 80% hardship rate for 'vulnerable' claimants has been abolished.

All sanctioned UC claimants must also demonstrate 'compliance' for 7 days before applying for hardship payments, and must reapply for each 4-week period.

In the case of a single person, the claimant must have done all the work-related activities that you were supposed to do in the 7 days before you apply for a hardship payment. Para L1027

In the case of a couple's claim they both have complied with all the work-related requirements that they were required to comply with in the 7 days preceding the day on which they made an application for hardship

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661730/adml1.pdf Para L1017

Universal Credit hardship payments are a loan and **must be repaid immediately** once the sanction period has been completed. In effect, the sanction period is extended until the hardship loan has been repaid.

The repayment rate for a hardship loan is 40% - The DWP states: '*we do have a clear policy whereby at any one time you will only face deductions up to 40% of your standard allowance*'. The DWP's *Benefit Overpayment Recovery Guide (DWP 2018b, p.72)* states that there are two exceptions to this, namely (i) Deductions for normal consumption of utilities do not count towards the 40% maximum, and (ii) If a sanction or penalty is being applied, or if an advance is being recovered, priority deductions i.e. housing and fuel costs, are still taken even if the total amount of deductions is higher than the 40%.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/683470/benefit-overpayment-recovery-guide.pdf

Given that repayments are made at the rate of 40% of benefit – the same as the amount by which a hardship payment is lower than the benefit – this means that for claimants receiving hardship payments, UC sanctions are in effect 2½ times as long as their nominal length.

Under UC, the sanction is applied to the amount of the Standard Allowance which is calculated to be due. In the case of in-work UC sanctions, the calculated amount may be less than the full amount, in which case the sanction may also be less.

<http://www.cpag.org.uk/david-webster> July 2018

Hardship Payments

- Payment-due dates

UC payments are normally made within seven days after the end of an assessment period on a working day. Payments due at weekends or on public holidays are brought forward to the

preceding working day. A period of hardship will end on the day before this, so a claimant can re-apply for hardship on their next relevant payment-due date.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661730/adml1.pdf para L1146

“You must apply for hardship payments of UC in each assessment period in which your UC is paid at a reduced rate. Because the hardship period starts when you apply for one and ends on the day before your UC payday, to ensure that you get maximum amount apply for hardship payments on every UC payday you are paid at a reduced rate of UC.” REF:CPAG Hardship payment periods.

- **Periods of hardship**

Liam’s standard allowance is reduced by £10.20 for each day in the assessment period 3.4.13 to 2.5.13. This is 30 days giving a total of £306.00
His application for hardship on 9.5.13 means he receives

$60\% = 306 \times 52 \div 12 = £6.04$ per day

29 days at a total £6.04 per day = £175.16 total

29 is the number of days in the hardship period, until 06.06.12 - the day before next UC payment is due to be received.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661730/adml1.pdf Para L1151

- **Local Authority safety net schemes**

The system of local authority-run welfare safety net schemes set up to provide support for vulnerable low-income families hit by unexpected financial crises and domestic emergencies is on the brink of collapse.

Local welfare assistance is supposed to help the poorest residents to weather the short-term costs of setbacks such as fires, floods, injury, illness and benefit delay, as well as the breakdown of vital household equipment such as cookers and fridges. The idea is to nip problems in the bud before they spiral into intractable and costly problems such as destitution, problem debt, child safeguarding and homelessness.

But nearly two-thirds of English councils have either closed the “welfare assistance schemes” they introduced just four years ago, or offer only a threadbare service, according to a study by the Centre for Responsible Credit (CfRC). It says the cuts have left thousands of people in many areas without vital hardship support, often forcing them to go without, turn to charity handouts, or take out high cost loans to pay for basics such as food, energy, furniture and rent.

The CfRC tracked local welfare schemes in 110 out of 155 English councils. It found that 26 had scrapped their schemes entirely. They include: Bournemouth, Exeter, London’s Haringey and Barking and Dagenham, Northamptonshire, Nottinghamshire, Oxfordshire, Plymouth, Reading, Staffordshire and Portsmouth.

A further 11 councils have cut local welfare funding by more than 80% compared with 2013 levels, leaving them so depleted they now provide a skeleton service – in some cases simply transferring what little remains of their budget to local food banks or credit unions. Some 30 councils have imposed cuts of between 60% and 79% on local schemes.

The National Audit Office has pointed out that few councils have bothered to analyse the cost benefits of local welfare. One that did, Milton Keynes, using official government analytical tools,

found in 2015 that expenditure of £500,000 on crisis support delivered £4.8m in savings to local public services, from housing to social care. However, it still ended up cutting its scheme. Most local authorities, the NAO concluded, were making cuts in the dark; they simply had no proper idea of need, demand or the consequences of removing provision.

<https://www.theguardian.com/society/2017/sep/13/english-councils-local-welfare-schemes-meltdown>

Use of foodbanks

New data released today (Tuesday 24 April 2018) by the UK's largest food bank network has shown that food bank usage in areas where Universal Credit has been rolled out went up by 52% in the first 12 months of the new system, an increase four times higher than in areas it has yet to be introduced.

<https://news.sky.com/story/line-18-food-bank-use-four-times-higher-in-universal-credit-areas-11343772>

The overall migration timetable

“Universal Credit roll-out was around 11% complete across Great Britain as of December 2017, in terms of the number of households on UC. However, progress varies considerably between constituencies. Almost half of jobseekers are now on UC rather than "legacy" benefits. The majority of households receiving support for rent, children or incapacity are yet to move onto UC. This briefing provides a guide to roll-out of the Full Service in 2018/19 and original HC Library estimates for the progress or UC roll-out by constituency, region and across Great Britain.”

<https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8299>

- **Waiting times** Even with the changes brought in at the end of last year claimants face a 5 week wait which in many cases seems to be 3 months or longer for their first payment
- DWP completion times

Length of payment delays, for new claims to Universal Credit due a first payment in February 2018

	On time (by payment due date)	Within 1 week of payment due date	Within 2 weeks of payment due date	Within 3 weeks of payment due date	Within 4 weeks of payment due date	Within 5 weeks of payment due date	Within 6 weeks of payment due date	Within 7 weeks of payment due date	Within 8 weeks of payment due date
% of paid claims that receive full payment...	83%	88%	90%	92%	94%	95%	96%	96%	97%
% of paid claims that receive some payment...	90%	94%	96%	97%	99%	99%	99%	99%	99%

There were 920,000* claimants in receipt of Universal Credit at May 2018. Latest figures show an 83% on time clearance rate meaning that 17% or 156,400 claimants did not receive their payments on time.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/723427/length-of-payment-delays-for-new-claims-to-universal-credit-feb-2018-statistics.pdf.

The DWP estimate nearly 7 million people will claim UC. Using the above figures of 83% on time full payments 1,190,000 (nearly one million two hundred thousand) will not be paid in full and on time.

*The number of people on Universal Credit as of 12 July 2018 was 1 million. Of these people, 380 thousand (37 per cent) were in employment

The above chart also shows part payment but does not indicate what percent of the claim was part as a part payment.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733393/universal-credit-statistics-to-12-july-2018.pdf

Arrangements for contacting claimants and inviting claims from them issues associated with making a claim, and ending legacy benefit claims

<https://www.independent.co.uk/news/uk/home-news/universal-credit-debt-benefits-dwp-application-poor-money-a8459786.html>

Under tax credits, the maximum deduction is 25% of the award for those whose total income is less than £20,000 a year.

Under UC: "In January, 6% of all "full service" claims had 40% deducted from their standard allowance, according to stats released in response to a written parliamentary question."

"Claimants face higher levels of deductions under Universal Credit compared to the old legacy benefits system.

Some 20% of Universal Credit payments are now often deducted to pay for rent arrears, compared to a standard rate of 5% on legacy benefits.

In a major report on Universal Credit last year, charity Citizens Advice said more than half of its advisers it spoke to had helped claimants who were having problems with deductions.

"The Government cut the waiting time from six weeks to five at last year's Budget, as well as allowing households to get an advance of a full month's payment within five days of applying. But George said this would increase the number of people whose ongoing Universal Credit payments are reduced."

https://www.huffingtonpost.co.uk/entry/thousands-of-universal-credit-claimants-suffer-40-cuts-to-pay-debts_uk_5acb133ee4b09d0a119541ae

The impact on workers, including the self-employed

The number of people on Universal Credit as of 12 July 2018 was 1 million. Of these people, 380 thousand (37 per cent) were in employment

- **Eligibility for Prescription**

From 1 November 2015 there are new arrangements to determine the Universal Credit prescription charge exemption.

From Sunday, patients claiming exemption on the grounds of UC are eligible for free prescriptions if they receive:

- Universal Credit and had no earnings or net earnings up to £435 during the most recent assessment period
- Universal Credit which includes an element for a child and/or limited capability for work or limited capability for work related activity, and had no earnings or net earnings up to £935 during the most recent assessment period.

Patients claiming the UC exemption should show their claim award at the point of dispensing, having considered whether their earnings are still within the threshold limits.

Most prescription forms will not yet have a box for Universal Credit; patients should tick the box for income-based Jobseeker's Allowance.

<https://www.dispensingdoctor.org/news/changes-to-universal-credit-prescription-charge-exemption/>

- **Irregular income**

Self-employed people will have to submit their monthly, instead of annual, income before any UC payment, including for housing costs, will be made for that month causing untold chaos and hardship. If they earn too much in any month their claim will be closed and they'll have to start all over again. Universal Credit payments will be based on the assumption that you're earning a certain amount through self employment, even if you don't actually earn this much. This assumed amount is called the 'minimum income floor'.

- **4 Weekly pay**

"If you're paid every 4 weeks by your employer, you will get one payment of earnings for each Universal Credit assessment period for most of the year. You will usually get 2 payments of earnings within a Universal Credit assessment period once a year.

Depending on the amount you get paid, this may affect your Universal Credit.

When you get 2 earnings payments within an assessment period, your income may be too high to qualify for Universal Credit in that month.

If this happens, you will be notified that your income is too high and you will no longer get Universal Credit.

You can re-apply the following month as you should only get one earnings payment in your assessment period then.

You will need to be prepared for a month when you get 2 earnings payments in one assessment period and budget for a potential change in your monthly Universal Credit payments."

<https://www.gov.uk/government/publications/universal-credit-different-earning-patterns-and-your-payments/universal-credit-different-earning-patterns-and-your-payments-payment-cycles>

- **Part time working conditionality and Holidays**

Everyone will have to accept the Claimant Commitment and log in daily to Universal Job match account and complete your to do list and journal. There is harsh conditionality within Universal Credit such as 35 hour per week job searches. If you fail to do your job match account even over Christmas and other bank holidays you will have your money stopped and you must always be available for interviews.

Under the Working Time Regulations 1998, from 1 April 2009, most workers have a statutory right to 5.6 weeks' paid holiday. Some workers may be entitled to more than the statutory amount of holiday. This depends on the worker's contract. If the worker's contract gives her/him less paid holiday than the statutory entitlement, the statutory entitlement applies. Even if the worker signs a contract which states that s/he is only entitled to, for example, three weeks' paid holiday per year, this does not take away her/his statutory entitlement to 5.6 weeks' paid leave from 1 April 2009.

<https://www.citizensadvice.org.uk/work/rights-at-work/holiday/holiday-pay-what-youre-entitled-to/> EU Directive 2003/88 provides that the purpose of paid annual leave is not just a perk of employment, it is to enable a worker to enjoy rest, relaxation and leisure for the protection of health and safety, both for their own benefit, and potentially that of their colleagues. A 52 week per annum full-time job search requirement would undermine this objective.

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32003L0088>

Letter from Lord Freud dated 8th June 2016 REF POS(4)11380/39

“Ms Zolobajluk mentioned in her letter sanctioning of part-time in-work claimants. Policy on work-related requirements does not contravene Directive 2003/88/EC (“the working time directive The Directive makes provision to protect workers including an entitlement to a certain period of annual leave from work but the entitlement does not extent to activities a person is required to do in consequence of receiving benefit such as work research and work availability requirements. Their circumstances are not covered by the directive.”

Legacy Benefit Rules

Someone in work and receiving Tax Credits or Housing Benefit at the moment and therefore not subject to conditionality would be able to go away on holiday without a second thought. In fact, they would expect, given their rights within employment law to holidays that this is considered normal.”

Universal Credit Rules

In a freedom of Information request number 4569 on this issue dated Nov 3rd 2015

“No allowances are made within the conditionality regime for claimants going on holiday. For example, claimants within the All Work-Related Requirements Group with no restrictions on their **availability will still be expected to be immediately available to attend a job interview or take up an offer of employment, even if this means cutting short a holiday.** They are also required to attend their normal appointments and failure to do so will incur a sanction.”

Under Universal Credit a claimant can go abroad for a period of a month for any reason, a longer period of up to six months temporary absence

abroad is also allowable for reasons of medical treatment. However, if a claimant chooses to go on holiday in Great Britain or abroad they must continue to carry out the work-related requirements as set out on their Claimant Commitment.

Being on holiday would not be considered by a DWP Decision Maker as good reason for not carrying out any work search or availability requirements.

Regulation 11 of the Universal Credit regulations 2013 sets out that a person

on Universal Credit is able to leave the UK for a period not exceeding a month (or not expected to

exceed a month). This can be extended in certain exceptional circumstances. However, this provision does not exempt a claimant from work related requirements as set out on the Claimant Commitment

<http://www.legislation.gov.uk/ukxi/2013/376/regulation/11″>

- **Sanctions**

Sanctioned whilst working:

Case Study 1. This is Helen's Story

"I work about 30hours a week and last July went on a holiday for two weeks. I came home to find that I had been fined £140 because I was not actively seeking work I appealed and complained for 6 weeks before I gave up because I was getting no where other than stressing myself out. Im working 12hours today and all over Easter weekend and yet next week I still have to go to my local jobcentre for the person behind the desk to help me find

Case study 2 "One interviewee who had an appointment at the Jobcentre, but got called into work.

He phoned up the JobCentre to rearrange his appointment, they told him it couldn't be rearranged and then he was sanctioned because he didn't go. "So he was actually working and they took £70 off him because he wasn't there."

Another has said: 'I was working at the time...it was something like, 'we're going to charge you £10 a day for seven days' and I said, 'What, you're going to fine me £70 for missing an appointment that I couldn't even ring you to tell you that I'd be late?' (UC recipient)

Reference Rightsnet

He accepts and knew that he would not be entitled to UC for the period he was away but is understandably annoyed at the 28-day sanction.

He asked for a Mandatory Reconsideration (MR) (where the decision is looked at again by a Decision Maker)

The MR stated that a holiday where the work search requirement cannot be fulfilled is not allowed and the sanction stood <http://www.welfareconditionality.ac.uk/wp-content/uploads/2016/02/WP-UC-Inquiry-WelCond.pdf>

Yet another case involved a woman who was struggling with debt after being given multiple sanctions as she tried to juggle Jobcentre appointments with working part-time and caring responsibilities. She ended up being threatened with eviction from her home.

She said: "It doesn't give you much confidence. It doesn't really make you want to go into work all happy and carrying on, do you know? It knocks you down and down and it wears you out."

http://www.heraldscotland.com/news/14242638.Revealed_the_Tories_new_plan_to_squeeze_the_working_po_or/

- **Capital Limits**

Tax Credits are based on income with no capital limits whereas the upper capital limit for UC is £16,000

- **Paternity and Maternity Pay**

Under Legacy Benefits

“Social Security Income: Disregarded income

The Tax Credits (Definition and Calculation of Income) Regulations 2002, Reg. 7(3), Table 3

- Maternity Allowance
- Statutory Maternity Pay under Part 12 of the Contributions and Benefits Act.
- Statutory Paternity Pay under Part 12ZA of the Contributions and Benefits Act
- Statutory Adoption Pay under Part 12ZB of the Contributions and Benefits Act
- Statutory Sick Pay under Part 11 of the Contributions and Benefits Act.”

<https://www.gov.uk/hmrc-internal-manuals/tax-credits-technical-manual/tctm04403>

Under Universal Credit

- Paternity and Maternity pay is counted as income
 - (4) The following benefits are to be treated as employed earnings—
 - (a) statutory sick pay;
 - (b) statutory maternity pay;
 - (c) ordinary statutory paternity pay;
 - (d) additional statutory paternity pay; an
 - (e) statutory adoption pay.

<https://www.legislation.gov.uk/ukdsi/2013/9780111531938>

Source: Part 6 Calculations of capital and income: Chapter I Capital: Paragraph 55 section4

The impact of proposed transitional protection (including how easily it will be delivered and the degree to which it will be understood by claimants)

Transitional Protection. (TP) relies on people's differing reactions to imminent and future cuts to income (benefits)

Managed Migration Transitional Protection will ensure that *"nobody will lose any money on arrival on Universal Credit from tax credits"*, as claimants will receive the same amount of Universal Credit as they did Tax Credits.

- In his Nov 2015 budget, George Osborne promised sharp cuts to tax credits as a significant chunk of his planned £12 billion welfare cuts. A huge backlash ensued and he [cancelled the cuts at the Autumn Statement](#), though similar reductions will still be quietly enacted in Universal Credit in 2020.

"You may receive Universal Credit transitional protection until your Universal Credit award increases to reach the same amount you were receiving from the benefits it replaced, or until your Universal Credit entitlement decreases to nothing, or until you have a significant change of circumstance."

By using Transitional Protection the government is enacting exactly the same cut instead of it being an "up-front" cut it is a cut over time which most people will not take heed of.

Transitional Protection can be lost immediately under the following circumstances:

- a partner leaves/joins your household
- your earnings drop beneath the level expected of you in your claimant commitment (for three months in a row)
- your Universal Credit award ends
- you or your partner stop work

- **Transitional Protection Savings limit of £16,000**

Tax Credits are based on income with no capital limits whereas the upper limit for UC is £16,000.

Tax Credit Claimants who are migrated over to UC with over £16,000 only have 1 years TP.

After this time Tax Credit Claimants with savings over £16,000 will not be eligible of UC

Those with savings from £6,000 – £16,000 will have their UC amount reduced by £4.35 per £250 of savings until they have less than £6,000 (Tariff income rules)

<https://www.turn2us.org.uk/Benefit-guides/Universal-Credit-transitional-protection/How-long-will-I-get-Universal-Credit-transitional>

Pensioners – mixed aged couples

Pension Credit is a means tested benefit. It is a top up benefit to the State Pension for those pensioners who have a low pension

Legacy Rules for Pension Credit mixed aged couples:

One of the conditions of eligibility for the Guarantee Credit is that the claimant (or their partner) has attained the age of 66.

State Pension Credit Act 2002, s3 (1)

However, the DWP announced in August 2017 that there would be changes to the Regulations to come into force in September 2019

Universal Credit Pension (PC) Credit Rules:

'When Universal Credit (UC) is introduced, if either member in a couple is under the qualifying age for pension credit then the couple would be treated as working age'.

However at the moment 'mixed age' couples either:

If living in a 'Live'/Gateway area - would fail the gateway conditions and therefore can claim Pension Credit / HB etc, or

If living in a 'Full'/Digital area has a choice: they can claim Universal Credit or they can claim Pension Credit / HB etc instead.

This is because the Government have not yet 'closed off' Pension Credit to 'mixed age' couples. However, the DWP announced in August 2017 that there would be changes to the Regulations to come into force in September 2019 - which means that from that date mixed age couples will not be able to claim Pension Credit and will have to claim Universal Credit.

As well as the various extra benefits available for pensioners, it is also the case that Pension Credit rates are much higher than Universal Credit rates. By way of example, in 2018/2019 the standard minimum guarantee for a couple in receipt of Pension Credit is £248.80 per week (£1078.13 per month). In comparison the couple rate for Universal Credit, for a couple over 25, is £498.89 per month.

Couples over pension credit age are also exempt from most benefit restrictions. If you (as a couple) are over pension credit age then you are exempt from social housing sector rent restrictions (the 'bedroom tax'), the benefits cap and also local reductions in Council Tax Support.

<https://www.entitledto.co.uk/help/Universal-Credit-And-Pension-Age>

- These couples will not qualify for a Winter Fuel Allowance of £200. Per year
- As well as being treated as a working age couple with pensioner having no claimant commitment the younger partner will have a claimant commitment and therefore liable to being sanctioned.
- For couples, both have to comply with their claimant commitment with the pensioner having no conditionality. Although the partner would be subject to conditionality
- They can now receive a benefit sanction and lose up to – **50%** of their Universal Credit
- No concessions for pensioners who are carers or have a partner with a disability, or pensioners that are legal responsibility for their grandchildren
- Savings are treated differently: PC allows £10,000 of savings before any loss of PC then the taper is £4.35 for every £500 above this amount until there is no PC left. Under UC rules these couples will have their UC reduced for savings above £6000 by £4.35 for every £250
- Savings of £16,00 will stop eligibility for Housing costs, UC and CTR.

In November 2011 AgeUK published these figures (referenced Hansard 8th Nov) *"There are currently over 93,000 couples receiving PC where one partner is aged below 60 – about 15% of*

couples receiving PC.

In addition there are some 7.300 receiving IS or JSA where one is over the age of 60"

Other Problems/issues

- **Housing**

With UC, housing benefit isn't paid straight to the landlord but to the claimant who may be in need of money to use in an emergency. As part of a [Line 18](#) investigation into welfare- produced in 2018, Sky News obtained figures from the National Housing Federation (NHF) which shows 73% of housing association tenants on Universal Credit are in rent arrears, compared to 29% of those not on UC.

The results were based on a survey to which 43 housing associations nationwide responded, with one undisclosed group suggesting 90% of their UC tenants were in arrears.

Letting agents are already refusing to rent to anyone claiming UC.

<http://www.propertyindustryeye.com/seven-in-ten-letting-agents-say-their-landlords-will-not-accept-universal-credit-tenants/>

- **Mortgage interest payments**

In 2018 mortgage help will be turned into a loan (SMI). This loan is from the DWP which means that you will need to pay it back when you start working. Payments are made by DWP directly to the mortgage lender. If you are unable to pay this back it could result in a charging order against your home/property

It means that you could lose your home if you don't pay back what you owe.

Once a charging order has been made, your creditor can apply to the court for another order to force you to sell your home. This is called an **order for sale**.

<https://www.citizensadvice.org.uk/debt-and-money/action-your-creditor-can-take/charging-orders/>

Waiting times Pre 2009 legacy rules

The Regulations were intended to introduce a number of measures for all new and some repeat working age claims from 5 January 2009: the waiting period before which full Support for Mortgage Interest (SMI) on eligible loans is paid in Income Support (IS), income-based Jobseeker's Allowance (JSA(IB)) and income-related Employment and Support Allowance (ESA(IR)), was shortened from 39 or 26 weeks to 13 weeks

Vulnerable customers who previously received 50% of their housing costs under SMI after 8 weeks and 100% of housing costs after 26 weeks, now serve a 13 week waiting period before receiving 100% of their housing costs;

There is a 12 week linking rule for SMI meaning that if a claimant takes up work which lasts less than 12 weeks, there will be no waiting period before they have their SMI payments reinstated

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/243563/9780108508769.pdf

Waiting times UC Rules

- There is a nine month initial wait for a new claim (39 weeks) before SMI can be paid.

- If you earn anything you lose your all your SMI payment.
- There are no linking rules which means that claimants have to wait another 39 weeks or another nine assessment periods before SMI is paid again
- SMI is only paid on interest only mortgages so people have to change onto interest only before they can get SMI
- There is no waiting period in UC of 8 and 13 weeks for vulnerable claimants.

Equality impact (whether there will be particular effects for different groups and how these can best be addressed), for example are there any groups that will not be covered by transitional protection?

- **Loss of Women's Rights**

The male wage-earner model - Far from looking like a 'modern' benefit, UC actually resembles a return to the 1950s family wage model. The claim that one payment into a household (rather than two payments split between two adults) is like real life – in a country where nearly 75% of mothers are in paid work – is a complete nonsense. When challenged in the early days, Ministers were clear they were perfectly relaxed about this model and in fact their vision for UC was to get one earner in a household into paid work. They saw this as the key achievement of UC.”

Split Payments* - Domestic violence is given as one circumstance where benefits can be split between two adults in a household. But a woman being subjected to domestic violence would risk making herself more vulnerable if she drew attention to the violence by requesting split payments. And even in couples where there is no domestic abuse, women may be denied financial independence, putting them in a vulnerable position should the relationship break down. We should look to the decision in Scotland to offer split payments between members of a couple by default.

There is no work allowance for second earners, mainly women, and, post Budget cuts, a lower one for lone parents (90% of whom are women). I remember the IFS once reporting that the main improvement in family incomes in the past 40 years has come from second earners joining the labour market. UC is a benefit that creates little or no incentive for second earners to enter or progress in paid work

Lone parents under the age of 25 receive a lower rate of benefit, unlike in the previous benefits system.

The treatment of childcare costs– Help with childcare costs is generally paid at the end of the assessment period in which the care is received, yet mothers make up-front payments to providers and wait weeks for UC to reimburse them , causing arrears and making it impossible to pay bills. And childcare costs do not always arise neatly, each month.

The two-child policy (which limits child allowances in UC to two children) and the rape clause. Immoral and impracticable, the policy fails on every count. It's proving impossible to introduce in universal credit, as it is administratively difficult and can't be done using existing IT.

<http://www.cpag.org.uk/content/something-needs-saying-about-universal-credit-and-women-%E2%80%93-it-discrimination-design> Extracts from article By Alison Garnham CPAG Chief Executive 17 August 2018

Two Child Policy - Rape clause.

In total, 190 women had to prove their child was conceived as a result of rape in order to receive financial support in the year after the two-child policy was introduced in April 2017.

<https://www.independent.co.uk/news/uk/home-news/rape-victims-child-benefits-women-dwp-universal-credit-work-pensions-support-a8421086.html>

*Even if the payments are split this fails to acknowledge is that if the claimant is forced to live under the same roof as the abuser, there is nothing to stop the abuser from forcing the abused claimant, under duress into handing over their share of their UC payment.

Groups that will not be covered by transitional protection?

- Pensioners classed as working age will see a significant reduction in their income.
- Their savings will be eroded, with very little opportunity to replenish them, especially if the younger partner is disabled and unable to work, leaving them with little or no financial security
- The only concession given to the couple is that the pensioner will have no claimant commitment.

Recommendations (for some of the points raised in this report)

1. SDP -This was provided to disabled people to cover the extra costs of living with a severe disability. Under Universal Credit, this seems to be being stopped. Is this because that is now included in the Universal Credit disability premium? I feel that this is mistake to remove this as those most in need will suffer huge losses in income; it will cause immense hardship, and should be restored if not included in the disability premium.

2. Conditionality- This has always been part of the process for disabled people and those looking for employment; however, this will have a severe impact on disabled people and those who are terminally ill. When those suffering chronic ill health conditions are incorrectly placed in a group, it is causing real problems because of the inflexibility to consider this when it is being administered. The latter group of terminally ill people will be penalised as many consultants while recognising that a patient has terminal illness, and dealing with treatment such as chemotherapy which can severely affect them on a daily basis, are being refused DS1500 by their consultant as this is meant to be for those with 6mths or less to live, so will leave them falling through the cracks. Not all terminally ill people will die within a timeframe of six mths. This needs to be addressed properly to allow the extra money they get under ESA to continue and that the fast track process will continue providing, they have evidence from McMillan nurse or consultant to state so.

3. 5Wk Wait- The 5 week wait is too long for most claimants and that is leading to debt mounting up, leaving them unable to cover bills and food. Now while 100 % advances are available this again leaves them with a shortfall leading to further financial problems which it will take considerable time to recover from, if at all. No working person would wait 5 weeks for a pay check.

4. SMI- SMI is for those with interest mortgage only and the qualifying period has been extended from 13 weeks to 39 weeks. Not only will many fall into debt trap because they have to wait so long, but also should they chose to take this loan up because they have no alternative as they are too ill to work due to severe disability or other circumstances. There is a nine month initial wait for a new claim then if you earn anything you lose your SMI and you have to wait another nine assessment periods before SMI is paid again Many of these people have worked most of their lives to do what they felt was right ,only to be penalised through no fault of their own, other becoming too sick to be in employment or a carer. This sends the wrong message to those who have followed the government message of hard work and owning their own homes. This also has impact in later life should they need personal care, where this is seen as an asset so potential homelessness or being forced into a care home rather than independent living as a choice.

5. Poor administration- Many dwp,welfare advisors and JCP staff are not understanding the policy fully and applying correct procedure in the correct manner. This leads to people being told conflicting advice, sanctions, and being bullied to take actions that they simply cannot comply with or do not have to complete according to policy legislation. The assessments for those with disability

or severe health conditions are inaccurate, misleading and some are downright fabrication. This matter needs to be more flexible and improving the training of HCP is imperative if the government wishes to make this work. This list of failures highlighted regarding assessments are alarming and needs a root and branch approach rethink. It causes many claimants to see their health decline and panic, particularly those with severe mental health problems, learning difficulties, autism, etc. While this is a test & learn process the continuous changes makes it impossible to be a fair process.

6. Tax Credits- The issue with HMRC no longer administering this is causing major issues on the ground, particularly around overpayments, school meals etc. We are seeing many people coming forward with these issues. Many are left hanging for over 30mins on telephone or cannot get through on the helpline at all to resolve the issues they have. Many are getting letters on overpayments for some considerable sums of money which is being deducted in large portions of their income which leads to them getting into debt because the repayments are too high. Some flexibility is needed here and needs to be looked into. Lone parents with children in particular. The government failed to include school meals in this process which may be the only hot meal a child has in a day.

7. Prescriptions- will the government look into this with some urgency. Many chronically sick and disabled people need their regular medications which under legacy benefits was covered providing they fitted the criteria. This seems to have escaped the ministers as a box to receive free prescriptions has been omitted on the new prescriptions leaving many with the additional cost which can be extra burden to enable them to remain in stable condition, as possible.

8. Online Claim Process- When a claimant fills in the online application is it possible to make sure a PDF at the end of the process is included? Many claimants have not got access to internet in a rural location, let alone afford it. Many CAB offices and other welfare rights centres are closing and some areas have none at all, with long waits if they do have one. This means longer distance for them to travel esp in rural locations some are travelling in excess 50 miles to get there.

9. Older workers- Many of these are women who were meant to have received their state pension now face working longer when they are now also having health issues or disabled or carers. This is not how many women in particular envisaged their retirement years. Apprenticeships are not the answer for everyone.

10. Self Employed-Self-employed workers have reduced access to social security support, including statutory sick pay, statutory maternity and paternity pay, and industrial injuries benefit. They do not enjoy the protection of the Equality Act. On top of this, a recent Office for Budget Responsibility report shows the impact of a "minimum income floor" (MIF) on self-employed people who have to earn a certain amount before qualifying for any support. Particularly when 5 week months are not taken into account.

11 Bring entitlement regarding taking holidays while in receipt of UC into line with current employment statute for part time workers and for claimants where one is in full time employment whilst the other is in part time employment

12 Problems around explicit consent.

Under Legacy Benefits third parties could use the DWP Implicit Consent Wheel, to gain information regarding their client's case without their client being present.

This established system could be easily re-instated into UC for the use of third parties as the current system is not fit for purpose and causes distress to both DWP staff, advisers and claimants.

<http://www.housingsystems.co.uk/Portals/0/IMPLICIT%20CONSENT%20WHEEL.pdf?ver=2016-11-02-094541-913>

13 Training

The relationship between claimants and work coaches is extremely important, as many decisions are at the discretion of the work coach. If this relationship breaks down claimants can be left in dire situations,

UC rules seem to be amended often so it is vital that Call centre staff and work coaches receive regularly upskilling, especially in the areas around vulnerability, to ensure the advice they are giving is correct.

Conclusion

To date with only approx. 11% of claimants transferred to Universal Credit, **Amyas Morse, head of the National Audit Office, stated on 15 June 2018**

“The Department has kept pushing the Universal Credit rollout forward through a series of problems. We recognise both its determination and commitment, and that there is really no practical choice but to keep on keeping on with the rollout. “We don’t think DWP has shown the same commitment to listening and responding to the hardship faced by claimants. Maybe a change of mind set will follow the publication of the claimant survey on 8 June. We think the larger claims for Universal Credit, such as boosted employment, are unlikely to be demonstrable at any point in future. Nor for that matter will value for money.”

<https://www.nao.org.uk/press-release/rolling-out-universal-credit/>

Q15 Universal Credit was meant to simplify, both for the claimant and those who administer it. In Reality, this has not happened as many administrators have inadequate training and understanding of the rules and regulations, and claimants are told conflicting advice, which is delaying claims further, leading to many being without money longer and creating debt and anxiety. While advances are available, this then puts them at a disadvantage by creating a debt they previously didn't have, or, adds to existing debt the claimant may already have. In my opinion, Universal Credit has not achieved its goals, if anything it has created more problems than legacy benefits. This project is not fit for purpose and should be scrapped. It would not take much given only 10% are actually claiming it to reverse back to legacy system which was a working model even if it needed attention.:

5Wk Wait- The 5-week wait is too long for most claimants and that is leading to debt mounting up, leaving them unable to cover bills and food. While 100 % advances are available this again leaves them with a shortfall leading to further financial problems which it will take considerable time to recover from, if at all. No working person would wait 5 weeks for a pay check.

SMI is for those with interest mortgage only and the qualifying period has been extended from 13 weeks to 39 weeks. Not only will many fall into debt trap because they have to wait so long, but also should they choose to take this loan up because they have no alternative as they are too ill to work due to severe disability or other circumstances. There is a nine month initial wait for a new claim then if you earn anything you lose your SMI and you have to wait another nine assessment periods before SMI is paid again Many of these people have worked most of their lives to do what they felt was right, only to be penalised through no fault of their own, other becoming too sick to be in employment or a carer. This sends the wrong message to those who have followed the government message of hard work and owning their own homes. This also has impact in later life should they need personal care, where this is seen as an asset so potential homelessness or being forced into a care home rather than independent living as a choice.

Q16 The impact of Universal Credit will affect women and children the most, along with disabled people who are in many cases already in poverty and some are in abject poverty due to the cuts in social security over the last 8 years they have faced. In particular, the 'Rape Clause' is very concerning along with domestic violence victims who have to prove that they have been a victim, and reliving traumatic experiences repeatedly to get state support, which harms them further, both psychologically and emotionally. This I believe harms their human rights to be free from their abusers and their right to privacy HRA Act 8. It also harms the children when parents are never allowed to move on. In cases of domestic violence, financial abuse is a common tool used against women, as often the male is main claimant. While the Government tries to address this, it fails to recognise that abusive partners will often threaten a partner and march them to the ATM to withdraw the payments given to them under an APA; these women are already vulnerable so will capitulate to their abuser. With legal aid

removed from women, many are faced with the prospect of not being able to leave the marital home to escape violence, so are trapped by the system meant to help and support them in more ways than one

The Rape Clause (Two Child Cap) is particularly vile and should be scrapped entirely. Women often will not step forward to report a rape because she will have her life turned inside out by the court system, if it gets to that stage, and the offender is caught and prosecuted. With statistics being so low of successful prosecutions, it is easy to see why women do not come forward. Those that do report it will have a crime number and therefore that is all the state needs to know.

The Question in the online claim process 'Do you have a partner who doesn't live with you'. Under legacy benefit as long as the claimant provided proof their claim was genuine and they had gained no income from someone they classed as boyfriend/girlfriend or any other combination of partnerships it was accepted. This Question assumes from the beginning that claimants are fraudulently playing the system which does not bear scrutiny. While I can see the government thinking behind it, there is not enough evidence to warrant such intrusion on the right to private family life, and actually in my opinion encourages dishonesty and fraudulent behaviour and couples who want to live together will not do so. Conditionality and sanctions impact on innocent children of parents who are deemed to have fallen foul of non-compliance regime, and in some cases children have been removed from parents on the basis they cannot provide for them often on flimsy sanctions that have been applied. ie: being 5 mins late for interviews, or ill health, emergencies that the claimant could not have foreseen.

Universal Credit creates poverty rather than alleviate it. Another issue many people face is being charged for medications they need or fined for ticking the wrong box as the government and Dept of Health failed to alter prescription to marry the changes of legacy benefit to UC.

Disabled people and those with chronic ill health have borne the brunt of many cuts to social security over the last eight years. They have seen cuts time and time again when transferring to the next change, whether it was IB-ESA, DLA-PIP and repeated unnecessary assessments inflicted upon them. Many reports are bear no resemblance to the claimants' conditions and some very questionable questions are asked in assessments of those with mental health e.g. why haven't you killed yourself yet! Also personal comments about appearance and some accounts are clearly fabricated by assessors to meet their targets. This has been clearly demonstrated to the UN and in the UK media. For some claimants the loss of income or trauma of repeated assessments have had fatal consequences and families are still waiting for justice as the UK Government dismisses any claims against them in this regard. The UN has a plethora of evidence already submitted by groups such as DPAC and many others, which breach disabled people's rights under the convention, so I will not repeat them. Universal Credit is another cut to those most in need for state support. The impact on disabled people is evident that they will face further punitive conditionality and a total disregard for diagnosis and prognosis will continue. The Assessments under UC is still flawed as they were with WCA using the same bogus model rather than the social model of disability. Those in the LCW group face many obstacles under Universal Credit and the barriers to work are likely to be further compounded by the removal of additional disability premiums afforded them under legacy

ESA, and their vehicles under PIP which enable those who do and can work. Repeated assessments are likely to impact on many disabled people if they move groups and have to appeal incorrect decisions meaning they will have a dramatic loss of income and face full conditionality they cannot sustain. This is without the barriers many face to gain employment if they are able. Many disabled people cannot access GP Services without facing long delays for appointments to get evidence or fit notes, some buildings are inaccessible too, or their JCP has been closed and may have to travel further, or that they are unable to access public transport and have to rely on others to get them to where they need to be.

The message that disabled people need to provide evidence and can do so through NHS patient charter is still widely unknown to many, and GPs are refusing to assist claimants with evidence without high charges for the provision of evidence with some charging £100 to get what they need. Those on low incomes cannot afford such costs on top of the costs of their disabilities and other services they need to live independently. The Government also refuses to allow a PDF of the completed online claim process for the claimant to print off for their records. This should be standard practice.

Those with terminal illnesses without a DS1500 are no longer going to be fast tracked and are going to face the same punitive regime as others as well as struggling to deal with impact of treatments they are receiving let alone coming to terms with their diagnosis. The impact on their families and those who may have to give up work to care for a loved one. This is utterly abhorrent and should be stopped immediately allowing them to be fast tracked with what time they have to focus on their health and what time they have left!

Many disabled people who want to work and try are often self-employed to fit around their disabilities or chronic ill health issue or access to transport or buildings. The self-employment regime is well documented in UK Media as having a significant impact on all those who try to work, yet for disabled people it can be a double whammy. If they try it but cannot sustain it they face being penalised either not being eligible to claim or that they cannot earn enough to meet the minimum income floor (MIF). This can trap many in the social security system partly due to disability and partly because they cannot sustain work or meet the criteria for tax credits. They are often bullied by work coaches for not trying hard enough to earn enough to come out of the system or instructed to stop self employment and find a 'real' full time job that enables them to stop claiming from the state.

Self-employed workers have reduced access to social security support, including statutory sick pay, statutory maternity and paternity pay, and industrial injuries benefit. They do not enjoy the protection of the Equality Act. On top of this, a recent Office for Budget Responsibility report shows the impact of a "minimum income floor" (MIF) on self-employed people who have to earn a certain amount before qualifying for any support. Particularly when 5-week months are not taken into account.

Q17 The impact of a digital only service is discriminatory in itself. Many claimants cannot afford even basic packages on offer by those who provide it. Some do not have landlines even or mobile phones as their budgets do not allow this. Rural areas in particular are vulnerable many cannot get mobile signals or the internet speeds are so slow leaving claimants at risk if

they cannot log in or access a service in the first place. Many of those claimants also do not own a PC in the first place especially the elderly in pensioner couples have no idea how to use one even if they can get access.

Blind people for instance cannot access a online digital process without support to do so reliant on those supporting them are inputting the correct information. A braille form or large print should be available. Those who cannot speak, cannot answer a telephone call from a work coach and those who cannot hear will also have issues regarding the telephone without support and implicit consent changes have become a nightmare for advisors and claimants alike. This is not meeting the Equality Act 2010 and is discriminatory. Many have no library access at all as they are closed and some of them that do are limited as they are run by volunteers, so only open certain days and times. JCP centres are also closing, leaving many claimants to travel further and staff in JCP are not making the homeless aware they can be used as an address or access to services due to the transient nature of homelessness and being moved on to other areas by other authorities or the police. This is not fit for purpose and other agencies who can help have waiting lists of huge proportions meaning they fall through the gap.

Q18 Universal Credit has had no bearing in incentivizing work for those who are able to do so. The very nature of this benefit I believe actually has the reverse impact of what was intended. This project has been very costly and is likely not to save anything with constant changes of the 'test and learn' process, if anything this white elephant is likely to cost more than it saves.

Many are in low paid employment or on zero-hour contracts so feel it not worth them working at all as by doing so leaves them worse off than those who are unable to work which feeds into the divisive rhetoric reported in the UK media and what the UK Government has encouraged. Not enough jobs are created for those who can work let alone minority groups who cannot and it does not support those trying very hard to climb out of poverty and be self-sufficient.

Q19 Universal Credit does not reduce fraud and error, in fact I would be very surprised if Fraud and Error figures do not continue to rise due to basic mistakes made either by the claimant or administrators. There is no real evidence largescale fraud is being committed, while fraud cannot be condoned by the 0.09% who do, it is not widespread and often occurs through lack of understanding the claimant has of the system and their responsibilities rather than a deliberate attempt to commit crime. Housing benefit is the area where the largest fraud is committed and a large proportion of those are elderly and those in work.

This myth needs to be put to rest once and for all. Most claimants are honest decent people who are in a difficult period in their lives where they need provision of the state safety net, while the state makes every opportunity to label its citizens criminals for needing state support in the first place. Tax Credits: - we are seeing many people coming forward with these issues. Many are left hanging for over 30mins on telephone or cannot get through on the helpline at all to resolve the issues they have. Many are getting letters on overpayments for some considerable sums of money which is being deducted in large portions of their income which leads to them getting into debt because the repayments are too high.
