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**Good Things Foundation**

**Response to Call for Evidence on Poverty and Human Rights for United Nations Special Rapporteur**

**Poverty, New Technologies and Welfare**

**September 2018**

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| **Thank you for the opportunity to submit a response to inform the visit of the United Nations Special Rapporteur on extreme poverty and human rights. This response focuses on new technologies and the welfare system, specifically question D24:**  **“What are the potential human rights issues faced by individuals living in poverty as a result of the use of new technologies in the UK welfare system?”** |

# 1. Executive Summary

11.3 million people in the UK don’t have essential digital skills[[1]](#footnote-1), and 15.2 million people in the UK aren’t making full use of the internet. Of these, 7.4 million are ‘limited users’, who use the internet less than weekly, and 7.8 million are non-users, who don’t use the internet at all.[[2]](#footnote-2)

Both non and limited users are more likely to be socially excluded, with 90% of non-users being classed as disadvantaged, which includes people with poor health or a disability, people in social class DE, and people who left school before the age of 16.

* 48% of non-users and 47% of limited users have a long standing health issue or disability
* 50% of non users are in social class DE, and 38% of limited users.[[3]](#footnote-3)

This shows that groups most excluded from society are also those most likely to be missing out on the significant benefits the internet can provide.

With government services increasingly ‘digital by default’ - including the welfare system - digital exclusion is not just a symptom of poverty and disadvantage, but increasingly it is a driver. **This is a human rights issue**.

Our response focuses on the impact on people living in poverty who are digitally excluded - either through lack of skills or lack of internet access - of a digital UK welfare system. We highlight three key issues:

* Financial penalties due to not being able to navigate the digital welfare system
* Increasing financial pressures incurred by the simplified payments that the new digital welfare system has introduced
* Lack of access to online advice, which could help to mitigate some of the above issues (e.g. through access to impartial debt advice).

The combination of these three issues lead us to conclude that there is an **additional poverty premium - the extra money that those experiencing poverty pay for goods and services - for digitally excluded people living in poverty as a result of the digital welfare system**. This is an unintended consequence of a digital welfare system aimed at improving life for those experiencing the sharp end of disadvantage.

We also offer three solutions to solve these issues:

* Invest in community-based, face-to-face support for Universal Credit building on the [successful HMRC model](https://www.goodthingsfoundation.org/sites/default/files/research-publications/hmrc_report_v6_1.pdf)
* Reinvent Jobcentre Plus and people’s full experience of interacting with the welfare system
* Join up the Department for Work and Pensions’ Universal Credit rollout with the Department for Digital, Culture Media and Sport’s digital skills work and private sector programmes.

Let there be no confusion: digital welfare is a good thing. However, without the right support in place to make the transition to digital systems, we risk increasing poverty and reducing quality of life for those most in need of support.

# 2. About Us

Good Things Foundation is an international social change charity that supports socially excluded people to improve their lives through digital technology. We bring together more than 5,000 community partners to make up the Online Centres Network, 80% of which are located in the UK’s most deprived communities. Online Centres have supported more than 2.3 million people to develop digital skills since 2010, 76% of whom go on to use online government services including Universal Credit.

We deliver social digital activity funded by a range of government partners, including:

* The Department for Education, who we work with to ensure that disadvantaged adults have the basic digital skills they need for everyday life
* NHS Digital, who fund us to explore practical ways to empower patients to take charge of their own health. This includes support to develop strong digital literacy skills to access trusted online health advice and NHS services, helping patients make the choices that are right for them.
* Her Majesty’s Revenue and Customs (HMRC), who we’re working with to support people to use online HMRC services such as tax credits, child benefits, carers’ allowance, disability allowance, and support with paying personal tax.

We are also a key partner to the Department for Digital, Culture, Media and Sport, who co-ordinate cross-government and cross-sector activity on digital skills as part of the [UK Digital Strategy](https://www.gov.uk/government/publications/uk-digital-strategy).

Increasingly, Online Centres are helping people - typically those on low incomes - to apply for and manage Universal Credit online. In some cases Centres receive funding from local Jobcentres or Local Authorities (via DWP Budgeting Support funds which Local Authorities receive) for this support, but most deliver this support on an unfunded basis. The quantity of referrals puts huge pressure on Centres, many of which are very small and are not able to fully meet the significant demand with direct funding to support it. None of our activity is supported by the Department for Work and Pensions. This issue was recognised in a recent National Audit Office report, which stated: ‘Universal Credit is creating additional costs for local organisations that help administer Universal Credit and support claimants.’[[4]](#footnote-4)

In response to demand from Centre users - 17% of whom are referred by their local Jobcentre - we have co-designed with our Online Centres a ‘[how-to’ guide to using Universal Credit](https://www.learnmyway.com/courses/universal-credit-a-how-to-guide/) and collated resources designed to help navigate people through the online process, which are hosted on our learning platform, [Learn My Way](https://www.learnmyway.com/).

# 3. Issues facing digitally excluded people experiencing poverty in using the UK welfare system

**3.1 Financial penalties due to not being able to navigate the digital welfare system**

Our co-design workshops with Online Centres, who are working on the frontline to build the digital skills of people experiencing disadvantaged, have highlighted the following issues for digitally excluded people who are trying to use Universal Credit (UC):

* Delays in applying for UC due to the need to develop basic digital skills
* Not being able to use the Government’s digital verification system, ‘GOV.UK Verify’, due to a lack of sufficient digital footprint data associated with their online identity
* Mistakes in making applications due to lack of digital confidence, sometimes resulting in delays to receiving payment
* Not being able to receive communications from DWP, resulting in penalties or delays in payments

As a practical example, centres tell us that one of the easiest things to miss when applying for UC is the tick box to get discretionary housing benefit payments made automatically. Missing this box means a delay in housing payments or these not being included in UC payments, leading to rents not being paid, going into debt, using foodbanks and in some cases, evictions.

These issues are supported by national research. For example, a recent report by Joseph Rowntree Foundation and The Legal Education Foundation highlighted that:“For UC claimants in ‘full service’ areas, the claimant is required to ‘manage’ the claim online, which includes communications with the designated work coach, payment statements and the requirement to report job-seeking activity which is expected to be carried out through the online UC journal. Those who lack internet access are more likely to miss online instructions or work coach appointments, increasing the risk of sanctions and/or unsuccessful UC claims. Under UC ‘full service’, third parties acting as the claimant’s proxy are systematically frustrated or blocked from intervening online on the claimant’s behalf, setting claimants up to fail based not just on unrealistic assumptions of digital access but on a false understanding of claimants’ lives as stable and secure and a failure to recognise the vital role of external advice.”[[5]](#footnote-5)

**3.2 Increasing financial pressures incurred by the simplified payments that the new digital welfare system has introduced**

One of the key drawbacks of Universal Credit for people in poverty is the streamlining of payments into a single monthly payment. Whilst this is a systems issue rather than a digital issue per se, it can create significant issues for people in poverty who have been accustomed to weekly budgeting.

Those who are online have access to a range of financial literacy support and online budgeting tools - not to mention access to cheaper goods and services. Digital exclusion means:

* being unable to switch tariff online
* being unable to pay through automated services, such as direct debit
* being unable to compare prices for essential goods (such as white goods) online

Digital exclusion exacerbates existing contributors to the poverty premium (such as poor credit) and directly contributes to the poverty premium (by preventing access to cost reductions available on the internet).

Simply put, monthly budgeting is harder for people who are offline.

**3.3 Lack of access to online advice**

Linked to the above, the internet offers a wide range of impartial help for those experiencing poverty in relation to the welfare system and financial difficulties. From debt advice to dealing with housing issues, digital information can provide a wealth of practical advice and solutions.

Online resources to support the UC process are often a lifeline for people - and the reason we developed our own ‘[how-to’ guide to using Universal Credit](https://www.learnmyway.com/courses/universal-credit-a-how-to-guide/). Because UC is being developed using an agile process, information changes very frequently, and it can be consequently difficult to advise claimants confidently. Having up-to-date online information is very important.

This issue was also recognised in the Joseph Rowntree report, which stated: “The problems that our destitute interviewees exhibited were exacerbated by the individual barriers they faced in seeking advice, including geographical and economic isolation as well as digital exclusion.”[[6]](#footnote-6)

# 4. Solutions

**4.1 Invest in community-based, face-to-face support for Universal Credit**

Having dedicated, properly funded support to help UC claimants will help to solve many of the issues outlined in Section 3. As well as offering digital skills support, all Online Centre also offer wider support, including help to develop financial literacy skills, search for jobs, and even develop English language skills, all of which can help to provide routes out of poverty for individuals.

Our [HMRC: Advice and Guidance project](https://www.goodthingsfoundation.org/sites/default/files/research-publications/hmrc_report_v6_1.pdf) is a highly successful model for the type of programme DWP might support. Through support from 48 Online Centres, we have helped more than 25,000 people with a range of advice and guidance on HMRC-specific queries. Online Centres have run drop-ins, workshops and offered 1:1 appointments to provide this service. They have helped families, sole traders and people with additional needs to access the following services:

* Working Tax Credits
* Family Tax Credits
* Child Benefit
* PAYE
* Self-assessment

We would like to see this support being extended for UC. The example below shows why this support matters to people experiencing poverty:

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| **Case study: Why community support for digital skills matters**  When Louise Fairley, 35, from Darlington found out she was entitled to Child Tax Credits, the whole online system seemed very confusing. But, thanks to help from Online Centres Network member Citizens Advice Darlington, she’s managed to get her head around HMRC’s online services - making living on a fixed income more manageable.    “All of my money was stopped,” explains full-time mother Louise. “When my ex-husband moved out, I didn’t realise that would affect anything but after six weeks of not receiving any money I got in touch with HMRC and found out that I was actually entitled to a lot more than I was supposed to be getting.  “I didn’t realise this - it’s just one of those things that I’d never looked into. When I tried to sort it out, I got in touch with the department that sorts Child Tax Credits and they told me to do it online, but I had no idea where to start.  “There’s so much information on the website and it can be overwhelming, even for someone like me - I’m not computer illiterate and I have a mobile phone and a computer, but there’s just so much on there. It’s very confusing.”  Louise was told about ‘Work IT Out’, a programme funded by HMRC and run by Good Things Foundation through the UK-wide Online Centres Network, to help people use HMRC’s digital services confidently and more easily.  With support from Citizens Online Darlington, Louise was supported through all aspects of her online application.  She says: “Thanks to the ‘Work IT Out’ programme I now understand more about which benefits I’m entitled to, how to log on and apply for them, how to manage my money and how to check when I’ve got payments coming in.  “Now, I understand it more, it means I’m more comfortable with it. It’s nice to have spoken to someone that makes me feel like I can do things myself and that I don’t need to worry. It definitely makes me feel a bit less stressed.” |

Key areas Online Centres have identified as requiring funded support are:

* Helping setting up a claim
* Budgeting support
* Helping claimants fulfil their UC obligations, including completing their job-seeking requirements on Find a Job and completion of journals
* Signposting to local support, e.g. for UC appeals
* Job searching

A recent report by CEBR, ‘Bridging the Digital Divide’ Report, shows a significant return on investment in digital skills. Providing everyone in the UK with the essential digital skills they need by 2028 will lead to a benefit of £15 for every £1 invested, and a net present value of £21.9 billion. Of this, research estimates savings of £313m in employment benefits alone through a fully digital nation.[[7]](#footnote-7)

**4.2 Reinvent Jobcentre Plus and people’s full experience of interacting with the welfare system**

In focusing on sorting out a deeply complex digital system, the Department for Work and Pensions has neglected face-to-face approaches. This could be addressed by Jobcentres becoming digital hubs - mini Online Centres with a formal, national referral programme to more established Online Centres, who can help people with broader digital skills. This is a challenge for JCP staff - the 11,000 work coaches who are being employed or upskilled need their role re-examining to make sure the difficult dual task of supporter and enforcer works for claimants. By taking on the supporter role in collaboration with local Online Centres, there is potential for significant ‘added value’ such as UC claimants playing a more active role in community life, and progressing to further learning.

**4.3 Join up the Department for Work and Pensions’ Universal Credit rollout with the Department for Digital, Culture Media and Sport’s digital skills work and private sector programmes**

To make sure that we're not missing an opportunity to get more people online and getting the most out of digital, DWP and DCMS should consider ways to capitalise on the fact that Universal Credit is bringing the web to lots of people who haven’t used it much before. A joined-up approach that links claiming UC, to building digital skills, to getting and staying in employment would benefit people and the economy. The private sector could also have a role to play with programmes like Google Digital Garage taking people beyond basic digital skills.

**Further information:**

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1. Consumer Digital Index, Lloyds Banking Group - Consumer Digital Index, [↑](#footnote-ref-1)
2. ‘[The real digital divide? Understanding the demographics of non-users and limited users of the internet](https://www.goodthingsfoundation.org/sites/default/files/research-publications/ofcom_report_v4_links.pdf)’, Professor Simeon Yates and Good Things Foundation/BT, 2017 [↑](#footnote-ref-2)
3. Ibid, based on Ofcom data. [↑](#footnote-ref-3)
4. ‘[Rolling Out Universal Credit](https://www.nao.org.uk/wp-content/uploads/2018/06/Rolling-out-Universal-Credit.pdf)’, National Audit Office, June 2018 [↑](#footnote-ref-4)
5. [‘Destitution and paths to justice’](https://research.thelegaleducationfoundation.org/wp-content/uploads/2018/06/Destitution-Report-Final-Full-.pdf), Joseph Rowntree Foundation/The Legal Education Foundation, June 2018 [↑](#footnote-ref-5)
6. Ibid. [↑](#footnote-ref-6)
7. [The Economic Impact of Digital Inclusion in the UK](https://www.goodthingsfoundation.org/sites/default/files/research-publications/the_economic_impact_of_digital_inclusion_in_the_uk_final_submission_stc_0.pdf), CEBR, September 2018 [↑](#footnote-ref-7)