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Modern Social Security and Beveridge's Giants

Luke Gray (2021) SSLJ 2, 44-60

LLM LPC Student, University of Sunderland

Abstract

The system of social security in the UK is comprised largely of Universal Credit. This benefit is the newest version of social security for the UK but the aims are largely similar to those proposed by William Beveridge in 1942. Universal Credit was intended to simplify the system of social security in the UK, whilst also ensuring claimants receive the best possible service along with the help and support they need. However, despite these intentions Universal Credit has faced a number of issues and criticism, not only from claimants but also from organisations such as the Trussell Trust, the Joseph Rowntree Foundation and Shelter. Universal Credit is still are facing these issues with little reform in sight. This research will explore and analyse Universal Credit and the issues inherent within it along with the consequences of these issues. This research will also analyse whether these benefits still tackle William Beveridge's social evils.

Keywords

Social Security; Universal Credit; Sanctions; Poverty; Digital by Default

The system of social security introduced after the Beveridge report was intended to tackle the giants of “Want...Squalor and Idleness”.¹ It was thought that if people were helped into a position where they could help themselves, the level of poverty, homelessness and unemployment would fall. This led to Beveridge’s belief that social security should ‘not stifle incentive, opportunity [or] responsibility’.² Instead, the government were to offer help and support to those most in need in exchange for ‘service and contribution’.³ Since the release of the Beveridge report, there have been a number of attempts at building a comprehensive system of welfare including the introduction of Jobseekers Allowance, Employment Support allowance and Child Tax Credits amongst others, now referred to as legacy benefits.⁴ However, the system of welfare in the early 2000’s was complex and lacking incentives for people to move into work.⁵ As such, the 2010 coalition government proposed Universal Credit in an attempt to simplify the system of legacy benefits.⁶

Universal Credit, introduced under s 1 of the Welfare Reform Act 2012 and managed by the Department of Work and Pensions (DWP), is the newest system of benefits to attempt to fulfil Beveridge’s ideals. This was to abolish 6 legacy benefits including; income-based Jobseekers Allowance, income-based Employment Support Allowance, Income Support, Housing Benefit, Council Tax Benefit and Child and Working Tax Credits.⁷ This was designed to achieve a number of aims under the Conservative-Liberal Democrat coalition government. The first of these was to make the system of benefits fairer and affordable for claimants. The second was to ‘reduce poverty, worklessness and welfare dependency’.⁸ The final aim was to reduce the levels of fraud and error in the old system of legacy benefits.⁹ The DWP also lists one of their priorities to be maintaining an effective system of welfare in order to enable people to achieve independence financially by assisting and guiding claimants into employment, whilst also increasing security and affordability for claimants.¹⁰ They also list one of their

¹ Sir William Beveridge, *Social Insurance and Allied Services* (Her Majesty’s Stationary Office 1942) 6.

² *ibid* 7.

³ *ibid* 6.

⁴ Department for Working Pensions, '2010 To 2015 Government Policy: Welfare Reform' (GOV.UK 2020) <<https://www.gov.uk/government/publications/2010-to-2015-government-policy-welfare-reform/2010-to-2015-government-policy-welfare-reform>> accessed 8 March 2020.

⁵ *ibid*.

⁶ *ibid*.

⁷ Welfare Reform Act 2012 s 33.

⁸ Department for Working Pensions (n 4).

⁹ *ibid*.

¹⁰ Department for Working Pensions, 'About Us' (GOV.UK 2020)

responsibilities as understanding and resolving the causes of poverty instead of simply dealing with the symptoms thereof.¹¹

Since the introduction of Universal Credit there has been a considerable amount of criticism from all sides of parliament and independent organisations including the Trussell Trust, Shelter and the Joseph Rowntree Foundation. The issues facing Universal Credit according to these groups are wide ranging and contrary to its aims. Philip Alston described Universal Credit as a 'potentially major improvement in the system' but that the issues surrounding it means 'it is fast falling into Universal Discredit'.¹²

UN Special Rapporteur

The United Nations (UN) Special Rapporteur's report in 2018, conducted by Professor Phillip Alston, highlighted a number of issues surrounding the system of Universal Credit and the levels of poverty facing the UK.¹³ Commissioned by the UN Human Rights Council, the Special Rapporteur reports any alleged human rights violations or abuses thereof in any given country.¹⁴ The UN Special Rapporteur's report on extreme poverty in the UK was especially critical of Universal Credit and the government for their handling of the system of welfare. Professor Phillip Alston found a number of issues with Universal Credit, ranging from the delay in payments to the levels of rising poverty, the digital by default system and the 5-week wait among other issues.¹⁵

Amber Rudd, former Minister for the DWP, responded to this stating that she thought the 'UN rapporteur's report [was] wrong'.¹⁶ Whilst Alston was conducting his research, he found that Ministers were 'almost entirely dismissive' of the impact of Universal Credit.¹⁷ Alston went on to say that when asked about the issues surrounding Universal Credit, ministers

<<https://www.gov.uk/government/organisations/department-for-work-pensions/about>> accessed 9 March 2020.

¹¹ *ibid.*

¹² Professor Philip Alston, *Statement on Visit to the United Kingdom: United Nations Special Rapporteur on Extreme Poverty and Human Rights (United Nations 2018)* 4.

¹³ *ibid* p1.

¹⁴ United Nations, 'OHCHR | Special Procedures of The Human Rights Council' (*Ohchr.org* 2019)

<<https://www.ohchr.org/EN/HRBodies/SP/Pages/Welcomepage.aspx>> accessed 3 November 2019.

¹⁵ Alston (n 12)

¹⁶ HC Deb 19 November 2018, vol 649, col 570.

¹⁷ Alston (n 12) 5.

blamed 'political opponents for... sabotage... and that Universal Credit was unfairly blamed for problems rooted in the old legacy system of benefits'.¹⁸

Reduce the Level of Poverty

One of the major aims of Universal Credit was to reduce the levels of poverty in the UK.¹⁹ However, research from the Trussell Trust shows the opposite outcome. The trust has conducted a variety of research into Universal Credit and the supposed issues facing it. Their main focus has been the use of foodbanks across the United Kingdom. Their research shows an increase in the use of foodbanks nationally of 13% or 52% where Universal Credit has been rolled out for 12 months or more.²⁰ Given the increase in the necessity and reliance on foodbanks, this would suggest an increase in the levels of poverty rather than a decrease since the introduction of Universal Credit.

The number of emergency food parcels handed out has also increased by a total of 73.4% in the five years between 2013/14 and 2018/19 from 913,138 in 2013/14 to 1,583,668 in 2018/19.²¹ Research also shows that in the year 2018/19 alone the amount of emergency food parcels given out increased by 30%.²² The main reasons for this sharp increase are; low income, accounting for 33.1% of referrals, delays in benefit payments, accounting for a further 20.3% and 17.3% as a result of changes to benefits.²³ In 2018, when asked about the increase in the use of foodbanks and emergency food parcels, former Prime Minister, Theresa May, stated that the government 'do not want to see anybody having to use food banks' and that they have listened to concerns over Universal Credit and changed its arrangements accordingly.²⁴ However, with these issues still present two years later it would seem as though these concerns have yet to be addressed. Research from the Trussell Trust also shows that

¹⁸ *ibid* 5.

¹⁹ Department for Working Pensions (n 4).

²⁰ The Trussell Trust, 'The next stage of Universal Credit' (*TrussellTrust.org* 2018) <<https://www.trusselltrust.org/next-stage-universal-credit/>> accessed 9 March 2020.

²¹ The Trussell Trust, 'Record 1.6M Food Bank Parcels' (*TrussellTrust.org* 2020) <<https://www.trusselltrust.org/2019/04/25/record-1-6m-food-bank-parcels/>> accessed 8 March 2020.

²² The Trussell Trust, '#5weekstoolong: Why We Need to End the Wait for Universal Credit' (*TrussellTrust.org* 2019) < <https://www.trusselltrust.org/next-stage-universal-credit/>> accessed 8 March 2020.

²³ The Trussell Trust (n 21).

²⁴ HC Deb 09 May 2018, vol 640, col 675.

those most likely to be in need of a food bank are single male households, single parent households and the disabled.²⁵ When challenged about this, Theresa May stated, that the government delivers a system that supports vulnerable people, whilst also encouraging people to get into work.²⁶ May went on to say that work was the best way out of poverty in keeping with the intention of Universal Credit to decrease the levels of 'worklessness'.²⁷

It would seem that this goal has been achieved to some extent. According to the Office for National Statistics, the level of unemployment when Universal Credit was introduced in 2013 stood at 7.8%.²⁸ As of December 2019, that figure stands at 3.8%, the lowest level since 1974.²⁹ However, whilst it seems the government have made progress with one of their aims of Universal Credit in relation to the levels of unemployment, the levels of poverty have not decreased. Research has shown that the levels of poverty have increased, showing that Theresa May's belief that work is the best way out of poverty is not the case.

The difficulty in defining poverty is that there is no singular or definitive definition of poverty.³⁰ The government have broken poverty into two distinct categories. The first is relative poverty where a person has an income less than 60% of the median annual household income for that year.³¹ The second category is absolute poverty where a person has an income of less than 60% of the median annual household income for 2010/11, uprated after inflation.³² The Social Metrics Commission found that as of 2017/18 there were 14.3 million people in poverty in the UK including 8.3 million working age adults and 4.6 million children.³³ This represents 22% of the overall population, 34% of all children and 53% of lone parent families in the UK.³⁴ To combat this, the Joseph Rowntree Foundation (JRF) proposed the introduction of a Minimum Income Standard (MIS) to ensure people have enough money to

²⁵ Rachel Loopstra & Doireann Lalor, *Financial Insecurity, Food Insecurity, and Disability: The Profile of People Receiving Emergency Food Assistance from The Trussell Trust Foodbank Network in Britain* (Oxford University) 15-20.

²⁶ HC Deb 12 September 2018, vol 646, col 745.

²⁷ See, *ibid* and Department for Working Pensions (n 4).

²⁸ Office for National Statistics, 'Unemployment Rate (Aged 16 And Over, Seasonally Adjusted) - Office for National Statistics' (*ONS.gov.uk* 2020)
<<https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/timeseries/mgsx/lms>> accessed 8 March 2020.

²⁹ *ibid*.

³⁰ Brigid Francis-Devine, *Poverty in the UK: Statistics* (House of Commons Library 2019) 7.

³¹ *ibid* 7.

³² *ibid*.

³³ Social Metrics Commission, *Measuring Poverty* (Social Metrics Commission 2019) 28.

³⁴ *ibid* 28.

have a 'decent' standard of living.³⁵ They believe that with this there would be three levels of poverty; MIS, income below MIS/not enough money and destitution.³⁶ The JRF found that in 2019, a lone parent with two children being supported by Universal Credit, needed to earn £28,700 per annum to meet the MIS and achieve a decent standard of living, whereas a couple with two children supported by Universal Credit only need to earn £17,000 each per annum to achieve the same standard.³⁷

Research from the Trussell Trust has also shown that in 2018, only 8% of Universal Credit claimants thought their full payment was enough to pay their living costs.³⁸ In comparison, the same research shows that 59% of claimants thought their full Universal Credit payment was not enough.³⁹ Only 6% of respondents to the research who stated they had no issues with Universal Credit thought the full payment was enough.⁴⁰ For this 6%, Universal Credit is working as it was intended to. Despite this, these people still need access to foodbanks to make ends meet.⁴¹ This clearly shows that even when Universal Credit works as it should, it is still not sufficient to work effectively. Given that the welfare state was designed to support people in poverty, 63% of claimants stated they received no support or assistance in relation to issues arising from Universal Credit and those who did receive support was most likely in the form of foodbank vouchers.⁴²

5-week Wait

The issues surrounding Universal Credit are not simply limited to the awards people receive. The 5-week wait for a claimant's first payment under Universal Credit has left people struggling to get by.⁴³ The Trussell Trust's research shows that 70% of claimants stated that

³⁵ Donald Hirsch, *A Minimum Income Standard for the United Kingdom in 2019* (Joseph Rowntree Foundation 2019) 3.

³⁶ Joseph Rowntree Foundation, 'What Is Poverty?' (*JRF.org* 2020) <<https://www.jrf.org.uk/our-work/what-is-poverty>> accessed 9 February 2020.

³⁷ Hirsch (n 35) 9.

³⁸ The Trussell Trust, *Left Behind: Is Universal Credit Truly Universal?* (The Trussell Trust 2018) 22.

³⁹ *ibid* 22.

⁴⁰ *Ibid*.

⁴¹ *ibid* 23.

⁴² *ibid* 13-14.

⁴³ Trussell Trust (n 22) 12.

'debt was a direct outcome' of the 5-week wait time for their first payment.⁴⁴ The same research shows that 56% of claimants face issues surrounding their housing including rent arrears and eviction.⁴⁵

This results from the fact that the housing element of a claimant's benefits used to be paid directly to their landlord for ease of the claimant. However, under Universal Credit, this is paid directly to the claimant and not the landlord causing issues for claimants that are unaware they are under an obligation to pay their landlord.⁴⁶ This obligation can only be changed if it can be established that the claimant cannot effectively manage their finances.⁴⁷ This issue affects a number of people and has led to 43% of private landlords placing a bar on renting property to those on housing benefit, with a further 18% of landlords stating they would prefer not to let to these claimants.⁴⁸ To rectify this, the Scottish Government allow claimants to have their housing element of Universal Credit directly to their landlord.⁴⁹ They also allow claimants to be paid fortnightly as opposed to monthly in order to allow claimants to better manage their payments.⁵⁰

The number of claims from landlords resulting in repossessions by county court bailiffs has fluctuated since the introduction of Universal Credit. As of 2013 the number of these claims stood at 37,792.⁵¹ This figure peaked in 2015 with a total of 42,729 claims resulting in repossession by bailiffs.⁵² However, since then the number of these claims has decreased relatively quickly, standing at 33,534 in 2018.⁵³ This number is set to have decreased further in 2019 with provisional figures estimated to be at 30,804.⁵⁴ The Trussell Trust also found that 57% of claimants developed mental or physical health issues as a result of the 5-week wait

⁴⁴ The Trussell Trust (n 38) 9.

⁴⁵ Ibid.

⁴⁶ Department for Working Pensions, 'Universal Credit And Rented Housing: Guide For Landlords' (GOV.UK 2020) <<https://www.gov.uk/government/publications/universal-credit-and-rented-housing--2/universal-credit-and-rented-housing-guide-for-landlords#universal-credit-payments>> accessed 31 March 2020.

⁴⁷ Ibid.

⁴⁸ Shelter, *From the Frontline Universal Credit and the Broken Housing Safety Net* (Shelter 2019) 5.

⁴⁹ Scottish Government, 'Social Security: Universal Credit (Scottish Choices)' (Gov.scot 2020) <<https://www.gov.scot/policies/social-security/universal-credit/>> accessed 16 March 2020.

⁵⁰ Ibid.

⁵¹ Ministry of Justice, 'Landlord Possession Actions in the County Courts of England and Wales, 1990-2020: Table 4, (Gov.uk 2020) <<https://www.gov.uk/government/statistics/mortgage-and-landlord-possession-statistics-january-to-march-2020>> accessed 14 May 2020.

⁵² Ibid.

⁵³ Ibid.

⁵⁴ Ibid.

time.⁵⁵ However, whilst Universal Credit has a built-in wait of 5-weeks for initial payments, there are instances where claimants have had to wait in excess of 12 weeks with an average wait time of 7.5 weeks for most claimants.⁵⁶ A House of Commons select committee report for the DWP on Universal Credit stated that, as of March 2018, the DWP failed to pay 21% of claimants their full award on time with an additional 13% not receiving their payment on time at all.⁵⁷ The National Audit Office (NAO) estimated that the number of late payments from 2017 could potentially triple in number during 2018.⁵⁸

The Trussell Trust have looked more recently at the 5-week wait for initial payments and found that in order to manage the wait, 66% of claimants were forced to borrow money from their family members, 31% of claimants were unable to afford to heat their homes and 30% of claimants were left with insufficient money to afford to eat.⁵⁹ As such, it seems that the 5-week wait for payments has had a profound effect on claimants. This has led the JRF to the conclusion that the 5-week wait time is too long and recommendations to scrap or at least reduce the 5-week wait time from Shelter⁶⁰ and the Trussell Trust.⁶¹

In relation to the 5-week wait, former Prime Minister, Theresa May stated the government were decreasing the waiting time for a claimant's first payment.⁶² Weeks later, responding to similar questions in the commons, May, stated that claimants do not need to wait for their first payment if they need to access it earlier.⁶³ She assured claimants they could get all of their first payment up front.⁶⁴ However, Jeremy Corbyn stated this was merely a loan available for some claimants to be re-paid at a later date as a deduction from future Universal Credit payments.⁶⁵ In a letter from Esther McVey, former Minister for Work and Pensions, to Frank Field, Chair of the Work and Pensions Select Committee it was made clear that the

⁵⁵ The Trussell Trust (n 39) 10.

⁵⁶ Gateshead Council, *"It's Hitting People That Can Least Afford It the Hardest": The Impact of the Roll Out of Universal Credit in Two North East England Localities: A Qualitative Study* (Newcastle University 2018) 15.

⁵⁷ House of Commons Committee of Public Accounts, *Universal Credit* (House of Commons 2018) 12.

⁵⁸ National Audit Office, *Rolling out Universal Credit* (Department for Work & Pensions 2018) 40.

⁵⁹ Trussell Trust (n 22) 14.

⁶⁰ Shelter (n 49) 56.

⁶¹ Trussell Trust (n 22) 37.

⁶² HC Deb 24 October 2018, vol 648, col 270.

⁶³ HC Deb 05 December 2018, vol 650, col 880.

⁶⁴ *ibid* 880-881.

⁶⁵ See, *ibid* and Department for Working Pensions, Letter from Esther McVey to Frank Field (*parliament.uk* 12 September 2018) <<https://www.parliament.uk/documents/commons-committees/work-and-pensions/Letter-from-Esther-McVey-MP-re-NAO-report-on-tackling-problem-debt.pdf>> accessed 1 April 2020.

reason for the need to have this loan re-paid was an obligation to the tax payer to recover these advances 'without undue delay'.⁶⁶ However, the JRF have found that repaying these advances contributes to rising destitution.⁶⁷ This results from the short window for the repayment of these loans which is taken through a deduction in a claimants Universal Credit entitlement.⁶⁸ For many claimants the only alternative to this is to receive no money during this period which can often lead to rent arrears, further debt and 'exacerbate an already difficult situation' for those most in need.⁶⁹ This shows clear divide on Universal Credit's issues within parliament, potentially validating the Special Rapporteur that the government is in 'denial'.⁷⁰ To address this issue, there is currently a private members bill before parliament designed to place a duty on the relevant Secretary of State to prevent evictions as a result of Universal Credit claimants suffering from rent arrears and similar purposes.⁷¹ However, this bill has only passed the first reading, with the second reading scheduled for February 2021.⁷² As such, it seems there is little light at the end of the tunnel for claimants suffering eviction as a result of Universal Credit and rent arrears.

Rough Sleeping and Destitution

This has also led to an increase in the level of rough sleeping since the introduction of Universal Credit. Statistics from the Ministry of Housing, Communities and Local Government show that in 2010, with the proposal of Universal Credit, there was an estimated 1,768 people sleeping rough⁷³. When Universal Credit was introduced in 2013, this number was at 2414 rough sleepers.⁷⁴ These statistics also show that in 2018 this number had risen by 165% since 2010 to 4,677.⁷⁵ These figures show an exponential increase in the levels of rough sleeping

⁶⁶ *ibid.*

⁶⁷ Joseph Rowntree Foundation, *Briefing: where next for Universal Credit and tackling poverty?* (Joseph Rowntree Foundation 2019) 4.

⁶⁸ Department for Working Pensions (n 65).

⁶⁹ Shelter (n 49) 8.

⁷⁰ Alston (n 12) 1.

⁷¹ UK Parliament, Private Member's Bill: Evictions (Universal Credit Claimants) Bill 2019-21 (*Parliament.uk* 2020) <<https://services.parliament.uk/bills/2019-21/evictionsuniversalcreditclaimants.html>> accessed 17 May 2020.

⁷² *ibid.*

⁷³ Ministry of Housing, Communities & Local Government, *Rough Sleeping Snapshot in England* (Ministry of Housing, Communities & Local Government 2020).

⁷⁴ *ibid.* 4.

⁷⁵ *Ibid.*

since the proposal and introduction of Universal Credit. However, this figure dropped by 2% between 2017-18, and is estimated to have decreased by a further 9% from 2018 totalling 4266, this is still 141% higher than 2010 when Universal Credit was proposed.⁷⁶ Whilst there are less individuals sleeping rough, in 2019 there was an increase in the number of households sleeping rough during the application process for housing by 7.8% from 2018.⁷⁷

The system of Universal Credit has also impacted the levels of destitution in the UK. The JRF have defined destitution as any person that lacks two or more of the following; adequate food, shelter, heating or lighting for their home for 5 days or more, appropriate clothing and footwear based on the weather, basic toiletries or if the income of a person is so low that they cannot afford these.⁷⁸ In 2017, the JRF estimated that 1,550,000 people met the definition of destitution, of these, 365,000 were children.⁷⁹

Digital by Default

The digital by default service for Universal Credit has also caused a number of issues. The DWP intended to make the service more efficient for users and claimants whilst cutting costs. It was designed to be 'intuitive enough for most people to use without any further intervention'.⁸⁰ However, Alston described this system as a 'digital barrier that effectively obstructs' claimants.⁸¹ He also drew from the DWP's own research into the success of the digital by default system. This found that only 54% of claimants were able to register their claim online without help and 21% requiring help to register a claim.⁸² The research goes on to show that 25% of claimants could not apply online at all due to difficulties using or accessing a computer.⁸³ This research also shows that 39% of claimants were unaware that

⁷⁶ Homeless, 'Rough Sleeping - Our Analysis' (*Homeless.org*)

<<https://www.homeless.org.uk/facts/homelessness-in-numbers/rough-sleeping/rough-sleeping-our-analysis>> accessed 17 April 2019 and Ministry of Housing, Communities & Local Government (n 73).

⁷⁷ Ministry of Housing, Communities & Local Government, *Statutory Homelessness, April to June (Q2) 2019: England* (Ministry of Housing, Communities & Local Government 2019) 13.

⁷⁸ Joseph Rowntree Foundation, *Destitution in the UK 2018* (Joseph Rowntree Foundation 2018) 2.

⁷⁹ *ibid* p13.

⁸⁰ Department for Work and Pensions, *Digital Strategy* (Department for Work and Pensions 2012) 13.

⁸¹ Alston (n 12) 8.

⁸² *ibid* p8.

⁸³ Department for Work and Pensions, *Universal Credit Full-Service Survey* (Department for Work and Pensions 2018) 13.

Universal Credit is an ‘online and self-service system’.⁸⁴ The findings also suggest that the process of making a claim online was more difficult for those with long term health conditions and the elderly.⁸⁵

The DWP are reluctant to allow alternative methods of application and stated that these alternatives should be ‘kept to a minimum’ wherever possible.⁸⁶ The DWP also work from the presumption that the majority of claimants are ‘digitally skilled’, despite the resounding evidence to the contrary.⁸⁷ As such, claiming Universal Credit has been made almost impossible for some claimants. According to Ofcom, in 2018, when asked what the reasons for not completing government processes online; 8% of semi-skilled or unskilled workers and the unemployed were not aware it could be done, 11% don’t feel safe giving out information online, 25% prefer to fill out a paper form and 30% stated they preferred verbal contact.⁸⁸ These figures increased from 2017 with a steady 4% of people stating that the websites are too difficult to use.⁸⁹ According to figures from Lloyds Bank, 11.9 million people lack at least 1 in 5 essential digital skills for life, up from 11.3 million in 2018.⁹⁰ As such, it would seem the DWP’s presumption of digitally skilled claimants was out of touch with the reality of the situation. Whilst the digital by default system appears to have had good intentions; to save time, money and simplify the process of making a claim, its implementation has not been so effective seemingly causing more problems for those most vulnerable and disadvantaged.

However, the government have responded to the issues surrounding Universal Credit. In 2018 they announced in their budget that they were increasing the funding for Universal Credit by £1.7 billion annually.⁹¹ The JRF stated that this change is welcome but that this is not enough.⁹² Neil Gray MP stated that the further delay to 2024/25 for the full roll-out of Universal Credit will make its completion seven years late and at a potential further cost of

⁸⁴ Ibid.

⁸⁵ Ibid 34-35.

⁸⁶ Department for Work and Pensions, *Universal Credit: Welfare That Works* (Her Majesty’s Stationary Office 2010) 38.

⁸⁷ Alston (n 12) 7.

⁸⁸ Ofcom, ‘Interactive Data’ (*Ofcom.org* 2020) <<https://www.ofcom.org.uk/research-and-data/media-literacy-research/adults/adults-media-use-and-attitudes/interactive-tool>> accessed 16 February 2020.

⁸⁹ Ibid.

⁹⁰ Department for Digital, Culture, Media and Sport, *UK Consumer Digital Index 2019* (Lloyds Banking Group 2019) 27.

⁹¹ Her Majesty’s Treasury, *Budget 2018: Universal Credit* (Her Majesty’s Stationary Office 2018) 1.

⁹² Rowntree (n 62) 2.

£500 million, suggesting that the reason for this new delay was to avoid further hardship to claimants.⁹³ In response to this, Will Quince, Parliamentary Under-Secretary for the DWP stated that the extra cost associated with the delay would go to ‘the pockets of our claimants’ and act as transitional protection moving forward.⁹⁴ However, with this further delay to the roll-out of Universal Credit and the issues inherent within the system, it seems the DWP have yet to learn their lesson and help claimants effectively.

Sanctions

Another issue inherent in the Universal Credit system is the issuing of sanctions to claimants. Intended as an incentive for claimants to meet their responsibilities, claimants will incur a reduction in their benefit award for a variable period when they fail to meet these responsibilities.⁹⁵ However, this is not always the case. As early as 2012 there were concerns raised about the impact of sanctions on Universal Credit claimants including sanctions being applied more disproportionately to vulnerable claimants and the wellbeing of claimants with longer sanctions made against them.⁹⁶ In 2017, benefit sanctions accounted for 17% of all household reported to have a loss of income, surpassed only by a loss of benefits accounting for 21%.⁹⁷

Despite concerns over the use of sanctions, the number of sanctions issued against claimants has risen exponentially. In the period between May 2016 and April 2017, a total of 5911 sanctions were issued against claimants.⁹⁸ In the same period between 2017/18 this number rose to a total of 31,592, more than 5 times than the previous year.⁹⁹ The number of sanctions issued between the same period in 2018/19 also rose to 133,988, over 4 times the year

⁹³ HC Deb 04 February 2020, Vol 671, Col 175-176.

⁹⁴ Ibid 176.

⁹⁵ See, Department for Work and Pensions, *Universal Credit: Welfare That Works* (Her Majesty’s Stationary Office 2018) 28 and Gov.uk, ‘Understanding Universal Credit - Sanctions’ (gov.uk 2020) <<https://www.understandinguniversalcredit.gov.uk/already-claimed/sanctions/>> accessed 1 April 2020.

⁹⁶ Social Security Advisory Committee, *Universal Credit and Conditionality* (Social Security Advisory Committee 2012) 3-14.

⁹⁷ Loopstra & Lalor (n 25).

⁹⁸ Department for Work and Pensions, “Benefit Sanctions Statistics” (gov.uk 2020) <<https://www.gov.uk/government/statistics/benefit-sanctions-statistics-to-october-2019-experimental>> accessed 1 April 2020.

⁹⁹ Ibid.

previously.¹⁰⁰ In October 2015, the total number of claimants with sanctions still affecting their Universal Credit payments was 6,956 accounting for 6.31% of all claimants.¹⁰¹ In October 2016, the percentage of claimants suffering from sanctions dropped to 4.09%, however, the number of claimants affected stood at 11,934.¹⁰² As of October 2019, the number of claimants with sanctions against them stood at 40,018, the highest ever recorded but only accounting for 2.57% of total number of claimants receiving Universal Credit.¹⁰³ Whilst it seems the percentage of claimants with sanctions is decreasing the amount of people actually affected by them increases year on year.

The length of these sanctions differs considerably as well with the minimum sanction lasting up to 7 days. Until recently, the maximum sanction allowed under the Universal Credit Regulations 2013 was 1095 days or 3 years without payment.¹⁰⁴ However, this has now changed with the current maximum sanction length standing at 182 days or 6 months.¹⁰⁵ In December 2015, 3,220 sanctions were issued to last 4 weeks or less with the majority lasting between 8 and 14 days.¹⁰⁶ As of October 2019, this number had risen to 12,989 with the majority, some 4,105, lasting between 22 and 28 days.¹⁰⁷ The number of higher-level sanctions has also increased over the course of Universal Credit's roll out. As of December 2019, only 43 sanctions were issued to last 27 weeks or more.¹⁰⁸ In November 2019, this number had risen to 1,143 with the highest number of sanctions of this length occurring in March 2018 at 1,726.¹⁰⁹

In evidence submitted to House of Commons Work and Pensions Select Committee, the JRF acknowledged that sanctions in their very nature must threaten some level of hardship but that this should never result in destitution.¹¹⁰ They also state that sanctions should only be

¹⁰⁰ *ibid.*

¹⁰¹ *ibid.*

¹⁰² *ibid.*

¹⁰³ *ibid.*

¹⁰⁴ s 102(2)(a)(iii).

¹⁰⁵ The Jobseeker's Allowance and Universal Credit (Higher-Level Sanctions) (Amendment) Regulations 2019 s 3(a)(i).

¹⁰⁶ Department for Work and Pensions (n 98).

¹⁰⁷ *ibid.*

¹⁰⁸ *ibid.*

¹⁰⁹ *ibid.*

¹¹⁰ Joseph Rowntree Foundation, 'Written Evidence from Joseph Rowntree Foundation (ANC0068)' (*parliament.uk* 2018)

<<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/work-and-pensions-committee/benefit-sanctions/written/83494.pdf>> accessed 12 April 2020 25.

used as a last resort.¹¹¹ Giving evidence in the same report, Citizens Advice stated that those suffering from sanctions are more likely to start borrowing money, fall into arrears and cut spending on essential items such as food.¹¹² The Child Action Poverty Group also gave evidence on the impact of sanctions, showing that sanctions cause ‘significant damage to physical and mental health’.¹¹³ The effect of sanctions is so adverse, the Work and Pensions Select Committee stated they are ‘counterproductive’.¹¹⁴ In response to this the government have changed the maximum length a sanction can be issued from 3 years to 6 months, effective from 27th November 2019.¹¹⁵ However, as the use of sanctions has increased and is still growing it seems more active reform is needed.

Conclusion

The UN Special Rapporteur has been especially critical of the government’s handling of Universal Credit, referring to it as a system of ‘Universal Discredit’, not least as a result of the rise in poverty and homelessness but also with the ineffectiveness of the systems in place designed to help claimants.¹¹⁶ With the Trussell Trust reporting an increase in foodbank usage of 52%¹¹⁷ and a 73.4% increase in emergency food parcels, it is hard to see how the government believe they deliver a system that works for those most in need and most vulnerable and encourage them into work.¹¹⁸ Despite this the government have reduced the levels of unemployment to their lowest level since 1974. However, with 14.3 million people in poverty including 4.6 million children, it seems a small victory for Universal Credit and the government, especially when taken in conjunction with the revelation that only 6% of

¹¹¹ *ibid* 4.

¹¹² Citizens Advice, ‘Written Evidence from Citizens Advice (ANC0067)’ (*parliament.uk* 2018) <<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/work-and-pensions-committee/benefit-sanctions/written/83492.pdf>> accessed 12 April 2020 5.3.

¹¹³ Child Action Poverty Group, ‘Written Evidence from Child Poverty Action Group (ANC0056)’ (*parliament.uk* 2018) <<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/work-and-pensions-committee/benefit-sanctions/written/83464.pdf>> accessed 12 April 2020 1(c).

¹¹⁴ House of Commons Work and Pensions Committee (n 98).

¹¹⁵ Jobseeker’s Allowance s 1 (n 105).

¹¹⁶ Alston (n 12) 4.

¹¹⁷ See, The Trussell Trust (n 20) and The Trussell Trust (n 21).

¹¹⁸ HC Deb 12 September 2018, vol 646, col 745.

Universal Credit claimants have had no issues with Universal Credit and believe their full award is enough.¹¹⁹

The 5-week wait built into Universal Credit has also caused its own issues for claimants. With 70% of claimants suffering debt as a direct outcome of the 5 week wait, 56% of claimants facing rent arrears and eviction and 57% of claimants developing mental or physical health issues as a result of the 5-week wait it seems hard to justify this.¹²⁰ Former Prime Minister, Theresa May stated that claimants could receive their first payment early. However, it was only when Jeremy Corbyn and later Esther McVey, former Minister for Work and Pensions, explained this was a loan to be repaid as deductions from future payments that the reality becomes apparent.¹²¹ The JRF have found that this is directly contributing to the rising level of destitution in the UK.¹²² It seems there are only two hopes for claimants in this respect. The first is the hope that the improvements made in Scotland are rolled-out nationally.¹²³ The second would be the Evictions (Universal Credit Claimants) Bill that promises to place a duty upon the relevant minister to ensure those suffering from rent arrears on Universal Credit do not face eviction.¹²⁴ However, with the second reading scheduled for February 2021, it seems this is a distant hope for most claimants.¹²⁵

A rise in the levels of rough sleeping of 165% between 2010 and 2018 shows yet further flaws with Universal Credit. However, this is estimated to have dropped since 2018 by 9% showing some improvement on the part of the government.¹²⁶ Despite this the level of rough sleeping is still 141% higher than in 2010 and in 2019 the number of rough sleepers during the Universal Credit application process rose by 7.8% on the previous year.¹²⁷ Despite this, there are still significant improvements that have yet to be made. The digital by default approach to Universal Credit has also been less successful than intended. The DWP designed the system to be simple to use without intervention.¹²⁸ Despite this 39% of claimants were unaware of

¹¹⁹ Social Metrics Commission (n 33) 22-28.

¹²⁰ The Trussell Trust (n 38) 9-10.

¹²¹ See, HC Deb 05 December 2018, vol 650, col 881 and Esther McVey (n 65)

¹²² Rowntree (n 67) 4.

¹²³ Scottish Government (n 49).

¹²⁴ UK Parliament (n 71).

¹²⁵ *ibid.*

¹²⁶ Ministry of Housing, Communities & Local Government (n 73).

¹²⁷ *Ibid* and Ministry of Housing, Communities & Local Government (n 77).

¹²⁸ Department for Work and Pensions (n 80) 13.

the online system, combined with the 11.9 million people lacking at least 1 in 5 essential digital skills for life highlights a severe disconnect between the DWP and the reality of Universal Credit.¹²⁹

The use of sanctions has also had a severe impact on some claimants. Between May 2016 and April 2017, the total number of sanctions issued against claimants stood at 5911.¹³⁰ Between the same period in 2018/19 the total number of sanctions issued stood at 133,988, more than a 20-fold increase in the number of sanctions in two years.¹³¹ When broken down into differing lengths of sanctions, these figures seem even more difficult to comprehend. In December 2015, the number of sanctions issued to last 27 weeks or more stood at 43.¹³² In November 2019, this number had risen to 1,143, a 26-fold increase.¹³³ The only saving grace for claimants in this respect is the DWP's change to the maximum length of sanctions from three years to six months.¹³⁴

Overall, Universal Credit promised to be a 'potentially major improvement' in the system of benefits in the UK and was a good idea in theory.¹³⁵ However, when the theory is separated from reality and given the extent of the issues facing, not only the system of benefits but also claimants, it appears Universal Credit has not been a success by its own aims and those of William Beveridge. Universal Credit set out to reduce unemployment, poverty and welfare dependency.¹³⁶ However, the only one of these aims that appears to have been achieved is a reduction in the levels of unemployment highlighting Universal Credit's attack on idleness. Despite this, evidence suggests that poverty and welfare dependency has increased, not least with the JRF stating that Universal Credit is directly contributing to destitution. The use of sanctions seems to be actively fuelling the social evils of want and squalor, especially where claimants are left issued with a sanction of 27 weeks or more and no other source of income.

¹²⁹ See, Department for Work and Pensions, *Universal Credit Full Service Survey* (Department for Work and Pensions 2018) 3 and Department for Digital, Culture, Media and Sport (n 90) 27.

¹³⁰ Department for Work and Pensions (n 98).

¹³¹ *ibid.*

¹³² *ibid.*

¹³³ *ibid.*

¹³⁴ Jobseeker's Allowance s3(a)(i) (n 105).

¹³⁵ Alston (n 12) 4-5

¹³⁶ Gov.uk (n 4).

It seems the most apt description is that of Philip Alston describing it as Universal Discredit with a government in denial about the issues facing claimants.¹³⁷

¹³⁷ Alston (n 12) 4-5.