

STEPHEN OXBROW – WRITTEN EVIDENCE (EUC0122)

The economics of Universal Credit

I am a 36 year old with a history of mental health issues (anxiety/depression) and have a 37 year old partner who has long term health issues which prevent her working. She has a number of mental health issues which are controlled in part by medication, but it means she is unable to work.

My partner has a live universal credit claim due to us living in one of the pilot areas. Previously she claimed ESA and housing benefit.

I am therefore sole provider of income in the household. We rent a housing association flat (1 bedroom) but the space is insufficient for all our possessions, so I have to rent a storage unit at a cost of £60 a month to me. This has gone on for 18 months now. As I live in a rural county I have a car to run - on no money. Public Transport is bordering on unusable to non-existent and it certainly doesn't run at times when I start and finish work.

My own health issues have been the cause of a number of different jobs not working out. In an attempt to resolve part of this I have retrained and I drive coaches for a living. That is an incredibly responsible job, with 53 lives in my hands should I make a mistake behind the wheel. I risk the loss of my driving licence, a prison sentence or my own life should I make a mistake. For this responsibility I can earn 70p more than the minimum wage.

It is incredible that so much responsibility attracts such little pay. A shelf stacker working nights in a supermarket earns more. I mention the 'mistake at the wheel' as it is a stressful job which requires total concentration and a focused mind.

Under ESA I would be able to work on a part time basis (15 to 20 hours a week) and retain all of the money with no penalty. Assuming £9 per hour for a coach driving job that is £135 per week or £440 a month. Under UC I either don't work at all, and the money remains static or I work and keep the money with the UC payment fluctuating downwards.

Under UC the 15 hours week permitted work means they take £277.20 a month from that figure which would have otherwise remained with us. We're told 'it makes work pay'.... That £277 could make a nice sum of money saved up across the year and with it a route out of the benefit trap we find ourselves in.

The pressure applied by DWP means I have to take any job which comes - so on three occasions now in the last 12 months I've gone back to work simply to bring in money for us to exist on, little of which I actually see. Before the doctor's fit note has expired. These changes of job (4 times in 12 months) have meant working for some totally unsuitable employers, where if there'd been time to consider ones options, I would have chalked up less employers in that time.

All of this culminated in a nervous breakdown in December 2019 which led to me attempting suicide. I would liked to have gone part time in the last job but

travelling from Bridgwater to Glastonbury four times a day means 70 miles travelled.

It would mean extra wear and tear on a 14 year old car and I would simply be burning the money in extra fuel. For a job which pays 70pence above the minimum wage. Yet it is assumed that a worker should travel up to 90 minutes from home in order to find work.

UC also assumes that everyone is paid monthly. Whilst it is true that a lot of people are paid a monthly salary, a lot of people work in jobs where they're paid weekly. The system is set up to pay a month behind. To give an example. the coach industry is seasonal, and the peak of the season is June and July when school trips take place in between school contact runs.

This means you earn a lot of money during June and July. UC comes along in mid August and of course the money you've earned reduces the payment. There is a problem there, as the end of July, all of August are school holidays, and as someone driving school buses, that means no work during August. So, you need money. It won't be there because you earned a lot during July.

The schools return in September, and you're then earning again. Because you've not worked all of August, you get a higher payment in September, when you don't need it.

UC relies on reported earnings from employers. If you've got an employer who can't pay correctly on pay day (like I had at the time) you find your UC payment going down because of the policies of an employer to 'forget bits of your pay' from one week to the next. When that overlaps an assessment period things become worse when the employer compensates for their own inability to add things up by paying you the missing money the following week. My experiences of employers in transport indicate this to be a widespread practice.

Thus an additional level of stress is created by UC which wouldn't be there under the old benefits system. The rows you have with your partner because there's no money and you have to pay people no doubt end up breaking up marriages and relationships. We have no children here, but lots of couples do. In my case I am stuck living on a sofa in a house I am not welcome in but have nowhere else to go (family doesn't live in Somerset anymore) other than sleeping in my car.

It will likely lead to me moving out into my own housing association flat. This means two sets of UC payments for the taxpayer.

You find yourself overdrawn at the bank because the money isn't there - in my partner's case, she is not permitted to run an overdraft so it attracts daily charges.

UC makes it impossible to budget because the money (if you work) continually fluctuates. You're constantly having to prioritise who to pay and who not to pay. I have a 14 year old car which costs £2500 a year to keep on the road after considering tax, insurance and the MOT. I should provide for this by putting £200 a month aside. When I worked a salaried monthly paid job that was

simple, set up the standing order and away you go. But when your earnings fluctuate and so does your UC payment you cannot plan more than 2 to 4 weeks ahead. You cannot make the standing order.... UC assumes you work a monthly salaried job but in transport, driving jobs are weekly paid and earnings go up and down.

Some people might have parents who can 'bail' them out of the cash flow holes caused by fluctuating earnings. But why should someone working full time, 50 hours a week on 'decent' money have to ask for help when it is a system failing. Some people could also be too proud to ask for that help, because they feel it poorly reflects on them and their ability to budget.

So how can UC be made to work better for people? The concept of merging benefits into one payment is sound. Like most things, the execution is unsound and the system doesn't work. It leads to stress, breaks up relationships and marriages, can lead to the loss of a job (if you're stressed out behind the wheel of a large coach and you have an accident damaging their vehicle costing them money, then the employer will simply dismiss you). It is meant to make work 'pay' but it does not.

By restoring the 'minimum hours of work before deductions' this would assist me in budgeting properly and alleviate if not eliminate much of the stresses I go through. You used to be able to work 15-20 hours a week, and for a part time school bus driver that is the actual amount of work you'd do in a week. I would know to the pound what comes in, and we could then budget for things and be able to save money.

I would like to save enough to start up in business (I could buy a minibus for £3,000 and use it on a schools contract), but when I can't budget I can't save, I remain stuck in the benefits system. I would very much like to stand on my own two feet and earn my way out of the hole, but UC consigns me to a state of stasis where I go no further forward, sometimes go backwards.

One could look at this cynically and conclude it is intentionally set up this way to keep the lower orders in their place. No, I should look at UC as a good idea badly let down by it's execution and it's inflexibility to deal with and understand the modern world of work where earnings go up and down, sometimes weekly.

So I'd like the committee to recommend 'a minimum number of hours you're able to work' before UC payments reduce as part of their report. This alone would help a great number of people trapped in the benefits system. It would provide me with a route out of my current situation.

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