

T REES – WRITTEN EVIDENCE (EUC0002)

The economics of Universal Credit

How well has Universal Credit met its original objectives?

Universal Credit has totally failed to meet its original objectives.

This is clear, because people were supposed to be 'better off in work' and 'make work pay' and yet we see millions of people across the country in poverty, in 'In Work Poverty' or destitution, homelessness up, foodbanks up, homes being lost, suicides tied to welfare reform and bad policies, cuts and sanctions.

Universal Credit makes people worse off. Not only because monies was cut from the budget, but the ideology is all wrong.

It is harsh, cruel and causing devastation.

What effect has fiscal retrenchment had on the ability of Universal Credit to successfully deliver its objectives?

The Conservative governments chose to make it more difficult for those already struggling and yet cut the taxes for the richest. I am not saying no other reductions were made to the lower end, but that austerity aimed at the poorest was utterly disastrous. In fact it knocked over £100 billion off the economy - GDP. Then the knock on effects are that 'everything is coming crashing down'.

Government found it easy to make out they were doing a great job and yet, despite austerity, the National Debt went into the £ trillions and kept going up and up at approx £5K per second. Meanwhile they spoke of getting the Deficit down, but then they had targets they kept on missing.

In short, Conservative governments made a dreadful mistake and instead should not have cut taxes but maybe raised them upon those that could afford.

They should have tackled tax avoidance, collected uncollected taxes and closed tax havens down. Sadly I doubt they would put their heart into that, for reasons I am not going to write here, of course.

Ask yourselves after all the losses, all the suffering not just those humans at the bottom, but the loss of so many services and lives, especially as emergency services and NHS struggled intensely (and still are doing) what has been gained, precisely? Nothing!

In my opinion (and I know I am not alone), such governments deliberately took from the areas they looked down upon. They don't believe in 'In Work Benefits' and would rid 'Welfare' if they had their way. They referred to 'shrinking the state';

quite horrifying, in fact that those people making such decisions appeared deeply uncaring and cold hearted yet all in favour of their 'own' or those that would benefit the government, putting it politely; after all richest donors can afford to throw such monies at a political party, yet such monies would feed a lot of hungry.

Were the original objectives and assumptions the right ones for ensuring adequate and fair social security for all? If not, how should they have been different?

Absolutely not and I am certain about this.

First of all a government should never pick on sick or incapacitated, who can not work at all.

There should never have been any thought about making sick or incapacitated meet a Work Coach nor attend a Job Centre, just as much as no DWP / JCP staff should visit people in hospital.

I am categorically stating this is a very cruel plan and I deem it harassment!

Nor should sick and incapacitated be on the same benefit that is repeatedly sold as 'getting people into work and staying in work'.

Nor should sick and incapacitated have to 'wait 5 weeks (was longer) nor even 3 weeks' for payment under the proviso 'to reflect work' or monthly pay. This includes those on ESA who face being forced to apply for Universal Credit and undergo more inquisition and assessment, just to see if they can be 'exempt' from seeking work and determine if entitled to the disabled element and so on.

I am absolutely disgusted that there is no auto-carry of the basic info that persons on ESA are known they can't work and the UC system is basically starting all over again, causing more distress to very poorly.

I am rather ashamed of the people who devised and implemented this policy.

Originally Severe Disability Premiums were not even a part of Universal Credit and yet it took a while for the realisation. It took Court and new legislation to protect the most vulnerable. Transitional Protection was an afterthought. I believe Severe Disability Premium is about £68 per week so to a sick or incapacitated person, that is a lot of money they would have lost. Some in fact did lose and government was taken to Court and still didn't make up the whole sums to make fair.

I am sorry that I do not accept, claimants that have been entitled to higher sums of money, being given lower, because the government decides to rob the most vulnerable. To me I would almost call it 'contract law' and these claimants don't get to choose whether to apply and get lower monies, they are forced to apply (under

duress) or have no monies! There must be a legal ground here, a line that has been crossed! I know some changes have been forced since offset but I am quite angry that those who did this, could even do this to people who struggle daily. Those who can not work at all!

The sums of monies are way too low for sick or incapacitated to live on, when they can not work at all.

The United Nations Special Rapporteurs have investigated the UK and yet government chose to ignore and deny so much devastation. I urge the Committee to step up and invite the UNSR to partake because UK benefits and poverty was a major part of their investigations. (More than one investigation). The fact UNSR had to investigate should tell you all you need to know.

Which claimants have benefited most from the Universal Credit reforms and which have lost out?

Certainly people have lost monies moving from the 'legacy benefits system' and that was the intention. Again, I do not accept that any persons should be made worse off.

I insist there must be no more migration to Universal Credit of those on Legacy System benefits. 'Managed Migration' must not go ahead. The 'Transitional Protection' is not there for everyone, nor is it forever.

People who gov / DWP already knows can not work, should definitely not be forced on to Universal Credit, at all, ever, they should be kept separate, full stop.

I urge the Committee to now declare all those on ESA must stay on ESA until a better disability benefit in the future, which again must be a fairer system and without Work Coaches and Job Centres attached. Sick means sick, incapacitated means incapacitated. No quibbles, I want to see vulnerable left alone. There have been too many lives lost.

I deem it down to the individual whether they feel able to work or not and of course there should always be the choice (and I mean choice, no pressure) and help available for those disabled yet who feel able to work, but that is a whole different ball game to forcing every claimant through the same hoops!

There are a group of very vulnerable claimants who receive zero housing related benefit and yet they have mortgages to pay. Some of these are adapted for disabled persons, but of those who can not work at all. This is relevant, they had a

benefit removed entirely. This was SMI (Support For Mortgage Interest Benefit). The Government unfairly removed this benefit and put a loan with gov. interest in its place. This loan is growing debt on top of debt. This is not only appalling but for those moved to Universal Credit and especially if they lose more monies, they will lose their home. Even those who apply for the SMI Loan are worse off because there is a 39 week wait. I can not for the life of me understand why a government would do this to the most vulnerable. The excuses for the change certainly leave a big question mark! It means they are the worst off under Universal Credit, too. Those that get Housing Benefit, at least get more than those who lost SMI benefit. It doesn't matter about the buying an asset part, the critical fact is it is one single roof over head and these people have to use any other disability benefits (if lucky enough to have them) to pay for roof over head. I feel this breaches Equality Act 2010 and the Committee should revisit this aspect. Moving this group to UC means they can't pay any of their mortgage for the weeks until they get UC. You can presume they don't have savings in the bank to cover. So any 'run on' of where others get Housing Benefit does not apply to the most vulnerable with mortgages to pay. Note SMI as benefit didn't pay whole mortgage, nor the loan, so cutting monies whatsoever means repossessions. Tipping incapacitated out of their homes is something I can not abide, I hope the Committee grasps this aspect because it has been ignored for too long!

How has the world of work changed since the introduction of Universal Credit and does Universal Credit's design adequately reflect the reality of low-paid work?

Under Conservative and coalition governments, the increase in zero hour contracts has grown immensely.

I believe a person only has to do one hour of work to be deemed 'employed' and then government, rather selectively uses those figures, along with self employed (start ups) and a manipulation of statistics to deceive the public about how fantastic employment figures are and yet if people look around them, there are nothing but job losses and long established businesses, that even started centuries back closing after so many years. The high streets emptying, not so much for online shopping but because people don't have the money to spend.

People can not make ends meet, even those working full time can not afford to eat. There have been nurses using foodbanks. In fact Junior Doctors have taken own lives. Public Sector pay used to be deemed 'higher' but in fact those workers can't make ends meet either. The cost of living is way too high and UK benefits way too low. I believe things are more generous across other parts of Europe. Wages have not really gone up, very much at all the past decade. Universal Credit would need to pay a lot more. Years back the average salary was said to be £25K, so whatever is deemed average today would be far from the truth as in fine, quote an average,

but that is not what so many people get. Some don't get half of that. There are still 'slave wages' in one of the richest countries in the world, but 'average pay' goes nowhere so imagine being much lower.

If people get 'tips' or 'bonuses' or even if win a little money, they should be allowed to keep it. Government must be forced to turn a blind eye to literally every penny that is acquired by some form of luck or generous gesture.

If Universal Credit does not adequately reflect the lived experiences of low-paid workers, how should it be reformed?

Universal Credit must be scrapped. It would cost a couple of billion to revert back but in the long run, that is better than paying out more on not only a terrible policy that causes deaths and destitution but is already costing more than Legacy benefits. Now I appreciate some whinge about the Legacy system needing replacing, but a government related news page article said Universal Credit was nearly scrapped from offset, that it needs a new computer system and that government was not going to halt nor scrap 'to save face' and 'because that is where they make the biggest savings' (or words to effect of). I am sorry but that is weakness and irresponsible of a government to knowingly continue harming people. Putting more lives in jeopardy, whilst undertaking 'secret' investigations into deaths of claimants.

The argument is lives must come first!

The majority of claimants are still on the legacy system and I don't care for excuses, this has to be deemed a failed policy and government's pride does not come first, I am afraid.

Should, for any reason, this Committee not find that Universal Credit is not fit for purpose and not insist on an immediate halt to putting people on it, then it is assured people will go on fighting for it to be scrapped. Charities, experts, claimants, Opposition MPs, Unions and United Nations of course, can't all be wrong now can they!

Sometimes in life, governments must be forced to admit they are wrong. They have a duty of care and this has not been apparent the past number of years. To deny the devastating effects of their bad policy is even worse!

I really don't think it can be reformed, the whole policy is simply beyond tweaking. It is legislated for and that is a major problem, it is a horrid, hostile policy. If I was Chair of this Committee I would seriously declare 'enough is enough' and scrap Universal Credit. At least declare that those on legacy will not now be moved at all.

That way those millions of vulnerable are more protected than those who already suffered under Universal Credit. I would be inclined to put new claimants on ESA or Tax Credits and not Universal Credit. I would move sick and incapacitated back to ESA. No more reassessments!

In summary:

I am writing this because I have watched, over time and listened and got a good understanding that the call for Universal Credit to be scrapped is very widespread.

I feel it is discrimination to insinuate all sick and incapacitated can work.

I feel it is wrong to make people worse off, just by the sums of this benefit being lower than legacy system benefits.

I feel it was criminal to take out 'Severe Disability Premiums - the clue in the wording should have said do not touch!

I will feel immense despair if Universal Credit is not scrapped.

I will remain disgusted if sick and incapacitated are still forced to apply for Universal Credit.

Universal Credit is costly, it costs lives, it harms, it has knock on effects that harm people across the country.

The whole policy is wrong, it is messy and the nature of it beyond cruel, it is a dictatorship and people on a low ebb do not need such horrible treatment, they need some breathing space, not claimant commitments, not 35 hour per week job seeking or else, not blackmailed with sanctions.

Sick and incapacitated need leaving alone, they can't work and there should be no further hoops to jump through as they have enough to cope with. No ESA claimants should have to meet a Work Coach, nor attend a Job Centre, nor have any more assessments, nor to their home, nor hospital. They should have exemption now.

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