

ROBERT KNIGHT – WRITTEN EVIDENCE (EUC0069)

The economics of Universal Credit

- 1) I made my claim for Universal Credit in April 2016. I am a resident of Tameside in Greater Manchester; this is one of the areas in which Universal Credit was being trailed, before possible introduction nationwide. I will describe my own experience, with some additional comments based on the experience of friends who have also claimed, or are claiming Universal Credit.
- 2) My first contact with the benefit service was by phone. I made this call using my mobile and at this time calls to the benefit line from mobiles were charged at "local rates" while calls from landlines were free. My call was answered automatically and I listened to the recorded message, inviting me to chose from a series of options, and then put on hold, for a considerable period of time, at my expense. It is the proud claim of the DWP that calls to this line are always answered promptly, I think it's supposed to be a minute at the most. In fact, callers receive an automated answer, followed by the automated questionnaire, which can be a frustrating and often unsuccessful experience; after which they will listen to Handel's Water Music for as long as it takes to get an actual answer from an operator. This process can take (in my experience) up to half an hour, or presumably, as long as a person is prepared to wait.
- 3) My call finally answered, I was interviewed by phone. I was given an appointment to attend at my local jobcentre (which has since closed) and assigned to my personal advisor. This part of the process went fairly smoothly, and I was told that, subject to my claim being approved, I would receive my first payment in six weeks time. The first three days of the claim would be classed as "waiting days" and I would receive no payment covering these days. This seemed a bit mean. More importantly, I would not be able to pay rent for at least six weeks, and would therefore be in arrears. I believe that most claimants find themselves in this situation; landlords and housing associations know that Universal Credit does not pay them directly. With Housing Benefit they could rely on rent paid up to date after a waiting period, once a claim was approved. I am a tenant of the largest housing provider in the Tameside area, and they were clearly unhappy about the whole Universal Credit situation, in fact they were running their own feedback survey about it. Eventually, I was able to have the rent portion of my benefit paid direct to the housing association, plus a monthly amount towards arrears (which I have now paid off). Of course, the argument for ending direct payment is that it's up to people to budget properly and get their rent paid when they receive the money. After waiting six weeks, most claimants will owe at least two weeks arrears, which may be close to the total amount of benefit money they have for their personal use. In many cases it could be a lot more, because they may have been behind with the rent to begin with. As far as "sensible budgeting" is concerned, many claimants will have other debt issues, perhaps involving people in their own community, which are more pressing to them (and their families) than a rent demand from a housing association. Furthermore, should they try to clear all their debts and arrears etc. as soon as possible, they will find themselves without money all over again, and probably back into debt or into worse debt. Therefore, this benefit process not only perpetuates a poverty cycle, it also accelerates it. Where Council Tax is concerned, it's the same situation, except that claimants will probably be more likely to default on their Council Tax than

on their rent. I was fortunate enough to be able to make a direct payment arrangement, not everyone would be able to manage this; also, the fact that this arrangement was made, seemed a tacit acknowledgement that the system as originally conceived, was flawed. My housing association received no direct enquiry from the DWP about my rent amounts, information about my flat, arrears and service charges; I had to provide all this information myself; the local DWP seemed unable, or unwilling, to deal directly with the principle social housing provider in the area.

- 4) After making my claim by phone, I was offered a loan. This loan can be up to £100 and is offered to new claimants, with repayment deducted monthly from Universal Credit. Like most claimants, I took it. This money is paid usually on the day it is requested, by direct transfer into a claimant's bank account – if they have one. This is useful, and much appreciated, but it will not help with rent arrears, and the fact that it's paid straight away before means of repaying are approved, again gives the impression of fixing problems that the government seems reluctant to acknowledge in public.
- 5) Food Banks: I used my local food bank several times during my claim. In my experience, food bank use is routine for people claiming Universal Credit. I would not have been able to survive on my monthly benefit, paying my rent and other essential outgoings, without using the food bank as often as possible, three visits in six months are allowed. Like many others I used not only my local “official” food bank, but also other similar local schemes, set up by volunteers (often on benefits themselves). Many claimants are doing the same, some of these people have jobs. For people with children to look after at home, or problems getting out and about, or indeed with work commitments; getting to a food bank, or neighbourhood pantry when it's open, can be a big struggle.
- 6) Many of the people receiving Universal Credit, and using food banks, are doing voluntary work. This does not seem to be recognised by the DWP, as an acceptable use of their time. At one service which I used, I met several other people who I knew, who were doing a great deal of voluntary work at a mental health and wellbeing service. One lady in her late fifties, ran a cafe at this service, four days a week. She used the neighbourhood pantry every week. In order to keep receiving her benefit, she was eventually required to work cleaning a bingo hall between eight and ten most mornings. She recently died from a stroke.
- 7) Jobsearch and commitments: Of course it's only reasonable that people claiming benefits should be required to look for work, if they do not have it and are able to do it. People claiming Universal Credit must keep an online record of their jobsearch. When I first claimed, this was done using the DWP website “Universal Jobmatch”, the problems with this site were well documented and it has now been replaced with an online “Journal.” A claimant must fill in their jobsearch journal every day, to the satisfaction of their advisor. For me, this means going to the local library to use the computers there because I have no internet access at home, except through my phone. The website is often out of action, and for many would be quite difficult to use. This is also true of the “Government Gateway” website which can be used to make a claim. I was told by my advisor that they would phone me for my regular interviews (instead of “signing on”). I was not told exactly when these calls would take place, sometimes I was given a day but no precise time. I found that I was in a constant state of stress about meeting the requirement for job search, it

seemed as if putting people under pressure was the whole idea. Under the old signing system, a person knew that once they had signed, they would receive their benefit within three days; with Universal Credit one never knows until the money is paid. The DWP can make a negative assessment of someone's claim at any time, and reduce or totally stop their benefit ("sanctioning"). A claimant may not know that this has occurred until they find that they have not been paid. I would receive text messages by phone, telling me that I must IMMEDIATELY access my Universal Credit online account for some reason or another, on pain of being sanctioned. These messages could arrive at any time of the day or night, again this seemed designed deliberately to put claimants under stress. Why can the DWP not simply communicate via text message? As a claimant I still received old fashioned paper letters about my claim. These letters usually contain mostly helpful and friendly language, interspersed with sentences in bold type threatening dire consequences (including prosecution and possibly prison) if one doesn't keep up with their claimant commitment. For some people this can be very disturbing. With all claimants receiving the same benefit, everyone, including those struggling with mental or other health problems, receives these communications. It's as if they have been written by an expert in sinister interrogation techniques, or some kind of gangster. I have also experienced a bullying attitude from jobcentre staff, as have some of my friends. Staff have said to me (and others) stuff like; "If you don't like it... don't claim benefits." Basically one feels criminalised and constantly under suspicion when claiming. This seems to be less about "making work pay" and more about "making claimants suffer as much as possible." We have heard about the increase in suicides amongst benefit claimants. If you receive benefits, the idea seems to be that you will be kept in a constant state of stress and uncertainty.

- 8) After a period of time claiming benefit, a person may be placed on a work programme or training. Many of the training courses offered are not what they claim to be. Commercial driving courses (LGV HGV etc), turn out to be two weeks in a room learning basic computer skills, with non attendance, even for one day or less, possibly resulting in a stoppage of benefit. No vocational training let alone a job will result. A work programme placing could consist of voluntary work with no prospect of a paid job. I was required to attend a church jumble sale in Salford, every weekday for one month. I was required to be there from eight A.M until four P.M. To get there I needed to get two buses, both longish journeys. Initially only one of these buses was subsidised, because the programme provider had no idea about the bus routes, and were not expecting clients from outside their local area. All the other attendees on this scheme had similar problems, one or two were very ill and close to retirement age; one was terminally ill, and was in obvious severe distress about the whole situation. I have heard plenty of similar stories from other people. I have also heard about "training providers" simply using claimants for unpaid work. Driver training courses are especially notorious; people attending these courses find themselves, for example, delivering vans for nothing, even having to hitch hike long distances home, and being replaced at the end of their "course" with no hope of a qualification or job.
- 9) Voluntary work (that is genuinely voluntary), does not seem to get sufficient recognition. Many people are doing voluntary work that is vital in their community. Unfortunately, a lot of public service (in mental health for example) today depends on voluntary work. Despite calling for an "army of volunteers", and talking about a "Big Society", the government seems reluctant to recognise voluntary work as a proper use of an unemployed person's time. I have seen

volunteer services depleted because their volunteers are constantly being required to attend work programmes or similar, which will not result in a job for them. These people are already doing useful work, yet life is made more difficult for them as a result. Then there are, of course the people that are forced into a paid job which they struggle to stick at, because of illness, age etc. For some, the effect on their mental and/or physical health can be catastrophic.

- 10) In conclusion : It would be unfair to say that my experience of Universal Credit has been entirely negative. I was able to get my rent and arrears paid directly to my housing provider, I received a small loan at the start of my claim , and generally getting my claim sorted out was fairly easy for me. However, that is in a large part because I have a good level of education and literacy which makes it easier for me to deal with the bureaucracy; a lot of people would struggle a great deal with this, and suffer great stress. Also, the loan and the direct payment were both against the original "rules" of the system as it was first announced I.e papering over cracks.

Any positive elements in my experience, are outweighed by the negative aspects, chiefly the imposition of "stress and duress" on ALL claimants seemingly regardless of their individual situation. It's as if "not caring" is the whole point. I found myself waiting for phone calls I was required to answer, though I was rarely given a warning about what time of day, or even which day I would receive the calls. I had to constantly account for my time, and was always in a state of stress about keeping up my "jobsearch requirement" (although often the website would be out of action or being upgraded or replaced, and could not be used at all.)

There is, for the Universal Credit claimant, the feeling that "Big Brother is Watching You", and that one is deprived of a lot of the freedom in life which citizens of a democracy are encouraged to expect. There seems to be a lower standard for the freedom and dignity of benefit claimants, than there is for those better off. As if these freedoms, and the *feeling* of having freedom and individual dignity are now just for those who can afford them.

Many people receiving Universal Credit are also employed and working very hard for insufficient wages, which suggests that the new system is being used to support a labour market which struggles to sustain itself.

To claim Universal Credit is to feel criminalised, to be kept in a state of stress and uncertainty about where the next meal is coming from. Monthly payment makes budgeting much harder. Remember: "If you don't like it, don't claim benefits..." The ethos behind Universal Credit and the way it is applied would seem to owe less to Beveridge, and rather more to Ayn Rand. Essentially the system acts as a bully, trying to bully people off benefits, while doing very little to actually help them get a job, a role performed by the old jobcentres. In my experience, and that of others I have spoken to, some DWP staff can be very overbearing and threatening, this seems to be official policy, although this, like the setting of quotas for sanctions, is always denied.

I hope these observations will prove usefull. I have tried to give an impression of my own experience to convey the general feeling of being on Universal Credit. Since many people claiming Universal Credit are low waged workers, or people unable to work, it seems unfair to treat every claimant as a potentially workshy sociopath. It means that a significant part of the population have to live with the constant scrutiny of the DWP, and are in effect treated as second class citizens, not because they are unemployed, but simply because they are less well off than others.

Finally, we should also consider the huge increase in homelessness and

rough sleeping. This is evident in my own neighbourhood and Manchester in general, as it is everywhere in Britain. This brings increasing drug and alcohol abuse on to the streets, with all the problems that follow for a community.

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