

DR LAURA DAVIES AND DR NATALIA GERODETTI – WRITTEN EVIDENCE (EUC0087)

The economics of Universal Credit

1. This submission of evidence is based on research undertaken by Dr Laura Davies and Dr Natalia Gerodetti both based at the Leeds School of Sciences at Leeds Beckett University and assisted with quantitative data analysis by Dr Rebecca Taylor of the University of Leeds.
2. We undertook a mixed methods study between October 2018 – September 2019 exploring food bank use in the city of Leeds, West Yorkshire. We conducted semi-structured interviews with volunteer staff and service users at Trussell Trust Foodbanks across the south of the city and were given access to data collected by the Trussell Trust so that we could develop understandings of changing patterns of foodbank use.
3. In South East Leeds, food aid provision increased each year between 2014-19 with the number of vouchers presented to Trussell Trust foodbanks in South East Leeds increasing by 4,858 during this period. This suggests that the need for emergency parcels was rising quickly and significantly. Whilst 408 vouchers were presented to the South East Leeds Trussell Trust foodbanks in 2014, by 2019 this had increased to 5,266 vouchers. The largest increase in voucher receipt was seen between 2018-2019, where a further 1,207 vouchers were presented to Trussell Trust Foodbanks located in South East Leeds.
4. Benefit changes and delays, a core feature of Universal Credit with a five week waiting period part of its design, were found to have a significant impact on foodbank use. The number of vouchers presented as a result of benefit changes increased each year between 2014 and 2019. The largest increases are observable between 2015-2016 and between 2018-2019. Data collected by the Trussell Trust shows that 78 vouchers were presented with benefit changes identified as the key reason for need in 2014; by 2019 this

had increased to 1,028 vouchers. The number of vouchers received as a result of benefit delays increased each year, with greater increases observable between 2015-2016 and 2016-2017. When compared with 2014 data, by 2019 a further 3,899 people, named on 1,770 vouchers, were experiencing food poverty as a result of benefit delays.

5. Data analysed as part of this project shows that between 2015-2019 the majority of those experiencing a crisis leading to foodbank use were adults. However, large numbers of children were resident in households accessing emergency food aid. In 2019, of the 12,550 people experiencing a crisis and accessing an emergency food parcel from a Trussell Trust foodbank in this area, 5,125 were children
6. Between 2014-2019, the number of adults experiencing food poverty and accessing foodbanks as a result of benefit changes increased, rising from 116 in 2014 to 1,423 by 2019. For children in these years, the figures are 132 and 937 respectively. Thus, this analysis highlights the growth in the number of children, alongside adults, in need of food aid between 2014-2019. Importantly, this analysis points to widening inequality and disadvantage as a result of benefit changes and suggests that children are not adequately protected from experiencing this form of hardship.
7. The findings presented above and based on quantitative data analysis are supported by our qualitative research findings. Foodbanks are staffed by trained volunteers, who undertake a range of tasks from sorting, weighing and packing food, welcoming and speaking with food bank users, collecting vouchers and completing paperwork and signposting them to other sources of support. These frontline workers are in weekly contact with service users and are best placed to give information on who uses foodbanks and the reasons behind the need to do so. Benefit delays, changes and sanctions were cited as core reasons for foodbank access by all of the volunteers we interviewed. They told us that this had become a more serious and frequent problem since the roll out of Universal Credit had begun in the city in the autumn of 2018. Of particular concern was the waiting period of at least five weeks before receipt of the first payment, that is built in to the Universal Credit system.

Many of those accessing support from foodbanks were doing so because they were waiting for a first payment of Universal Credit or because their subsequent payments were reduced after taking a short term crisis payment to tide them over this five week waiting period. In households where income was already seriously constrained there was no spare money to manage this waiting period and this pushed the household into crisis.

8. These findings suggest that the design and administration of Universal Credit does not adequately reflect the lived experience of those who are in receipt of it. Low income workers and those not in paid work who need to access support are significantly impacted by waiting periods and delays and cannot be assumed to have the financial resources necessary to manage for five weeks or more without income. Our research findings suggest that benefit changes and delays are a significant factor leading to increased foodbank use as individuals and families are unable to manage financially and are pushed into crisis.

9. Whilst our research evidence is specific to South East Leeds, prior research by other academics has also pointed to benefits delays, changes and persistent low income as being key reasons for foodbank use (see for example Johnsen and Blenkinsopp, 2018; Loopstra *et al.*, 2018; Prayogo *et al.*, 2018). We would argue that the waiting period is a feature of Universal Credit that contributes significantly to hardship and poverty and therefore it cannot be said to offer effective or appropriate support and, from a claimant perspective, cannot be said to simplify the benefits system or increase efficiency of delivery.

References

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Prayogo, E. *et al.* (2018) 'Who uses foodbanks and why? Exploring the impact of financial strain and adverse life events on food insecurity', *Journal of Public Health (United Kingdom)*, 40(4), pp. 676–683. doi: 10.1093/pubmed/fox133.

29 February 2020