



December 2018

Welfare Safety Net Inquiry

Written submission to the HC Work and Pensions Committee

1. The Work and Pensions Committee is conducting an [inquiry](#) into the state of the UK's welfare safety net, prompted by the evidence of debt, hunger and homelessness the Committee has heard across several recent inquiries.
2. This inquiry was launched as the UN Special Rapporteur on Extreme Poverty and Human Rights, Philip Alston, was about to complete his mission to the UK. The Special Rapporteur issued his preliminary report on 16 November.¹
3. This submission has been written by Just Fair and is supported by 15 local and national groups working on fair taxation, community engagement, workers' rights,

¹ UN Special Rapporteur on Extreme Poverty and Human Rights, [Statement on Visit to the UK](#), 16 Nov 2018.

child poverty, equality and food security: **Caritas Anchor House, Unison, Women’s Budget Group, Back To 60, Equality and Diversity Forum, Community Links, Sustain, Fair Play South West, Race On The Agenda, Taxpayers Against Poverty, Research for Action, Latin American Women’s Rights Service, Tax Justice UK, The Equality Trust, and 4 in 10.** Members of these groups met with the UN Special Rapporteur as part of his evidence-gathering mission.

4. **Just Fair** hosted two events with the Special Rapporteur: An open mic session with Community Links in Newham (East London) and an evening event at Doughty Street Chambers (Central London) with the Human Rights Lawyers Association. Just Fair works to realise a fairer and more just society in the UK by monitoring and advocating for the protection of economic and social rights.
5. The UN Special Rapporteur and his team spent months reading a record number of written submissions (nearly 300) from UK-based academics, civil society and individuals. No other mission from a UN independent expert had generated so much interest anywhere in the world. Philip Alston listened attentively and respectfully to hardworking people who thanked him for having come to them, instead of expecting it to happen the other way around. The Special Rapporteur’s UK mission confirms there is a very real drive to use human rights to address the root causes of poverty and exclusion. Human rights are more than a shield to protect the individual from the state. Human rights also have a unique empowering and mobilising effect.
6. As a Party to the International Covenant on Economic, Social and Cultural Rights (ICESCR), the UK must take steps to the maximum of its available resources to achieve progressively the realisation of economic, social and cultural rights, including the right to social security.² To comply with human rights standards, austerity-inspired policy adjustments must be temporary, necessary and proportionate, adopted after meaningful engagement with those most affected by them, must not be discriminatory, must mitigate inequalities and ensure that the rights of the most disadvantaged people are not disproportionately affected.³ These are the requirements of the human rights principle of non-retrogression.
7. This submission shows that tax and social security cuts since 2010 do not meet the mentioned requirements of non-retrogression and therefore **breach the human right to social security.**⁴ The measures have not been justifiable in terms of the goals they were meant to achieve (a), they have not been proportionate (b) and the effects have been discriminatory (c). The weight of local government funding cuts

² Art. 2(1) and 9 ICESCR.

³ CESCR, [Letter by the Chairperson of the CESCR to States parties to the ICESCR](#), 12 May 2012. See also CESCR, [Public debt, austerity measures and the ICESCR: Statement by the CESCR](#), 24 June 2016, UN doc: E/C.12/2016/1, para. 4.

⁴ Four UN Special Rapporteurs, the Committee on the Rights of the Child, the Committee on Economic, Social and Cultural Rights, the Committee on the Rights of Persons with Disabilities, and the European Committee of Social Rights have expressed serious doubts about the compatibility of “welfare reform” with the UK’s international human rights obligations: UN Special Rapporteurs on Housing, on Rights of Persons with Disabilities, on Extreme Poverty, and on the Right to Food, “[Joint letter to the UK Government](#)”, UN doc. AL GBR 1/2016, April 2016, p. 12; CRC, [Concluding Observations: UK](#), July 2016, UN doc. CRC/C/GBR/CO/5, para. 66 and 69-70; CESCR, [Concluding Observations: UK](#), July 2016, UN doc: E/C.12/GBR/CO/6; para. 40-42 and 47-48; CRPD, [Inquiry concerning the UK](#), 2016, UN doc. CRPD/C/15/R.2/Rev.1; ECSR, [Conclusions XXI-2 \(2017\) United Kingdom](#), January 2018. See also BIHR *et al*, [Joint Civil Society Report to the UN Universal Periodic Review of the UK \(3rd Cycle\)](#), 2016, pp. 20-23.

has fallen on people at risk of harm, discrimination and disadvantage (d), and benefit sanctions have been harmful and largely ineffective (e).

a) Is it working?

8. One of the requirements of the human rights principle of non-retrogression is that the implemented measures must be necessary and justifiable. In other words, to comply with human rights, they must be fit for the intended purpose.
9. The Office for Budget Responsibility observed in 2016 that “the scale and sustained nature of the welfare spending cuts seen over the current and previous Parliaments are in some respects unprecedented”.⁵ The UK has indeed made remarkable savings at the expense of welfare expenditure. Reforms introduced since 2010 saved around £26 billion by the end of 2017, roughly 10% of what welfare spending might otherwise have been; the greatest savings come from tax credits, £4 billion lower, and child benefits, 22% lower.⁶
10. The UK’s public deficit reached 2% in the year ending March 2018,⁷ but this figure does not reflect the economic cost of poverty in terms of public services, healthcare, achievement gap in schools, adult social care, housing and homelessness, and police and criminal justice. The cost of UK poverty has been estimated at £78 billion per year.⁸
11. The Government justified “welfare reforms” as a lever to encourage, “including through benefit sanctions where appropriate, those who can work to find and keep work and to increase their earnings rather than relying on benefits”.⁹
12. However, the UK Statistics Authority cast doubt on any significant causal relationship between “welfare reforms” and the labour market: “The available numerical evidence does not demonstrate a particularly strong causal link between the benefit cap and the decisions made by individuals about moving into work”.¹⁰ The National Audit Office disclosed that neither they nor the Department of Work and Pensions were confident it would ever be possible to measure whether the economic goal of increasing employment has been achieved.¹¹ It is true that “welfare reforms” and historically low levels of unemployment have happened at the same time, but correlation and causation are two separate things.

b) Cuts to public spending, taxes and social security do not ensure an adequate standard of living

13. According to the Equality and Human Rights Commission, between 2010 and 2022, public spending per head is forecast to fall by 18% in England, 5.5% in Wales and just over 1% in Scotland.¹² Cash losses for lower income households are larger in England

⁵ OBR, [Welfare Trends Report](#), October 2016, p. 12.

⁶ House of Commons Library, [Welfare savings 2010-11 to 2020-21](#), July 2016.

⁷ ONS, [UK government debt and deficit: March 2018](#), July 2018.

⁸ Glen Bramley *et al.*, [Counting the cost of UK poverty](#), Joseph Rowntree Foundation, 2016.

⁹ UK Government Ministry of Justice, [National report to the UN Universal Periodic Review](#), February 2017, para. 50.

¹⁰ [Letter](#) from the Chair of the UK Statistics Authority to Jonathan Portes, December 2014.

¹¹ NAO, [Rolling out Universal Credit](#), June 2018, p. 10.

¹² EHRC, [The cumulative impact on living standards of public spending changes](#), November 2018.

than in Wales or Scotland. Households where adults are under-55 experience larger losses from public spending changes, and the effects are particularly noteworthy in households where the adults are aged 18-24. Households with children suffer larger losses particularly due to cuts to school spending. Lone parents (nine in 10 of which are women) lose more than any other type of family in all three countries: 18.7% in England, 10.5% in Wales and 7.6% in Scotland.

14. Levels of state benefits are not sufficient so as to ensure an adequate standard of living.¹³ Families on benefits now have to live without 40% of their required budget.¹⁴ There are 1.5 million destitute people in our country.¹⁵ That's the whole of Sheffield, Manchester and Liverpool together.
15. Unison members in receipt of state benefits report they are experiencing a worsening of their living conditions: 53% of them declare they receive less in benefits than they did in 2017, 41% are more in debt, 25% have gone without a regular daily meal in the past year to balance their budget, and 32% have gone without keeping their home warm.¹⁶
16. According to the Institute for Fiscal Studies, Government's tax and benefit changes since 2015 have hit the poorest hardest while the wealthiest deciles have benefited the most. In the October 2018 budget, the Government prioritised tax cuts that will mostly benefit the wealthiest, costing the Treasury £1.4 billion a year.¹⁷
17. As pointed out by the UN Special Rapporteur on Extreme Poverty and Human Rights at the end of his November mission, "when the Chancellor could have used the windfall he received from the Office for Budget Responsibility to end the benefit freeze a year earlier than planned, he instead chose to change income tax thresholds in a way that will help those better off and will do nothing to move the needle on poverty".¹⁸
18. In order to help fund the changes that are needed to the social security system, the Government should consider fair ways of raising extra revenue through taxation. This could include re-examining the recent cuts to corporation tax and looking at smarter taxes on wealth.¹⁹
19. The Government should also ensure that it is providing enough resources to tackle tax avoidance and evasion. For example, tax avoidance by the wealthiest costs roughly the same as benefit fraud, approximately £2 billion a year according to

¹³ European Committee of Social Rights, [Conclusions XXI-2 \(2017\) United Kingdom](#), January 2018.

¹⁴ CPAG, [The Cost of A Child in 2018](#), August 2018.

¹⁵ Suzanne Fitzpatrick et al, [Destitution in the UK: 2018](#), JRF, June 2018, pp. 2-3.

¹⁶ From Unison's 2018 Equality Survey: Data from members who are in receipt of state benefits.

¹⁷ IFS, [Personal tax and benefit measures: Analysis of the Budget](#), p. 23.

¹⁸ UN Special Rapporteur on Extreme Poverty and Human Rights, [Statement on Visit to the UK](#), 16 Nov 2018, p. 13.

¹⁹ Tax Justice UK, [The World We Want: The role of taxes in funding the NHS and other public services](#), October 2018.

Government figures.²⁰ However, the Government has four times as many staff tackling benefit fraud than tax dodging by the wealthy.²¹

c) The effects of “welfare reforms” are discriminatory

20. The tax and welfare cuts have had a regressive effect on social protection. The largest cash gains from changes to income tax and national insurance contributions were enjoyed by the wealthiest 30%.²² As a result of changes to benefits and tax credits and Universal Credit, households in the second and third deciles have lost more than twice as much as those in the top 20%. At this pace, in four years from now 1.5 million more children will live in poverty, the child poverty rate for lone parent households (basically women) will increase from 37 to 62%, and households with at least one disabled adult and a disabled child will lose 13% of their income. Lone mothers will lose almost one fifth of their annual income.
21. Black employed women are set to lose the most, around £1,500 per year by April 2021. In relative terms this amounts to 28% of the net individual income of those not in employment and 20% of those in employment.²³
22. In March 2015, the Supreme Court said that “it cannot possibly be in the best interests of the children affected by the (benefit) cap to deprive them of the means to provide them with adequate food, clothing, warmth and housing, the basic necessities of life”.²⁴ In November 2016, the Court ruled that adults with a disability who cannot share a room with another person should not have their housing benefit reduced.²⁵
23. The lack of automatic split payments under Universal Credit disregards the wealth of evidence that shows that in cases of financial abuse women and children often go without basic needs such as food and clothing.²⁶ As observed by the UN Special Rapporteur, even if there is no financial abuse within the household, single payments can “entrench problematic and often gendered dynamics within a couple.”²⁷
24. Philip Alston says in his report that “women born in the 1950s have been particularly impacted by an abrupt and poorly phased in change in the state pension age from 60 to 66. The impact of the changes to pensionable age is such as to severely penalize those who happen to be on the cusp of retirement and who had well-founded expectations of entering the next phase of their lives, rather than being

²⁰ DWP, [Fraud and Error in the Benefit System: Final 2016/17 Estimates](#), November 2017, p. 11; NAO, [HMRC's approach to collecting tax from high net worth individuals](#), November 2016, p. 19.

²¹ HC Written questions and answers. Social Security Benefits: Fraud, WC 110433, [Response](#) of 6 November 2017; Revenue and Customs: Staff, WC 112013, [Response](#) of 13 November 2017.

²² EHRC, [Cumulative impact of tax and welfare reforms](#), March 2018.

²³ Runnymede Trust and Women's Budget Group, [Intersecting Inequalities: The impact of austerity on Black and Minority Ethnic women in the UK](#), November 2017.

²⁴ *R (on the application of SG and others (previously JS and others)) (Appellants) v Secretary of State for Work and Pensions (Respondent)* [2015] UKSC 16, para. 226.

²⁵ *R (Carmichael and Rourke) v. Secretary of State for Work and Pensions* [2016] UKSC 58.

²⁶ Women's Budget Group, End Violence Against Women, and Surviving Economic Abuse, [Universal Credit & Financial Abuse: Exploring the links](#), June 2018; HC Work and Pensions Committee, [Universal credit and domestic abuse](#), July 2018.

²⁷ UN Special Rapporteur on Extreme Poverty and Human Rights, [Statement on Visit to the UK](#), 16 Nov 2018, p. 18.

plunged back into a workforce for which many of them were ill-prepared and to which they could not reasonably have been expected to adjust with no notice”.²⁸

25. Research from Newcastle University and Teesside University in Gateshead and Newcastle shows that people being moved to Universal Credit, especially those with disabilities and health conditions, are forced to wait an average of seven and a half weeks, sometimes 12 weeks, to receive their first payment.²⁹ This waiting period “pushes many who may already be in crisis into debt, rent arrears, and serious hardship, requiring them to sacrifice food or heat”.³⁰

d) The weight of local government funding cuts falls on people at risk of harm, discrimination and disadvantage

26. According to the National Audit Office, government funding for local authorities fell in real terms by 49.1% between 2010 and 2018.³¹ It has been estimated that the local authorities that received the largest share of their funding from government grants in 2009 experienced most significant cuts to their service spending. The 10% of authorities most dependent on grants in 2009 received an average cut of 33%, compared to 12% for the 10% of authorities that are less dependent on grants.³²
27. Councils’ spending on adult social care fell by 10% in real terms between 2009 and 2015, and it was budgeted to be 3% lower in 2018 than in 2009.³³ According to the Social Market Foundation, since 2015 over 47,000 children were in the care of local authorities deemed by Ofsted to have inadequate children’s services or services that require improvement.³⁴ The impact of local government funding cuts in England has been unevenly distributed across regions: 97% of the reductions in local spending on social care, children and homelessness since 2011 have taken place in the fifth most deprived councils.³⁵
28. The damaging effects of these cuts are also disproportionately distributed in society. Minority ethnic groups are more likely to live in deprived areas, and cuts to local authority spending has led to cuts in local services many women rely on, such as social care, public transport, services for children and voluntary sector organisations.³⁶
29. According to Newcastle City Council, changes to funding via the Revenue Support Grant mean that budgets are no longer allocated on the needs of a local population.

²⁸ Id, p. 19.

²⁹ Mandy Cheetham, Suzanne Moffatt, and Michelle Addison, [‘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](#), November 2018.

³⁰ UN Special Rapporteur on Extreme Poverty and Human Rights, [Statement on Visit to the UK](#), 16 Nov 2018, p. 5.

³¹ NAO, [Financial sustainability of local authorities](#), March 2018.

³² Neil A Smith et al, [Council-level figures on spending cuts and business rates income](#), IFS, November 2016.

³³ David Phillips and Polly Simpson, [Changes in councils’ adult social care and overall service spending in England, 2009–10 to 2017–18](#), IFS, June 2018.

³⁴ SMK, [Looked After Children](#), August 2018.

³⁵ Lloyds Bank Foundation and New Policy Institute, [A Quiet Crisis: Local government spending on disadvantage in England](#), September 2018.

³⁶ Women’s Budget Group and Runnymede Trust, [Intersecting inequalities: The impact of austerity on Black and Minority Ethnic Women in the UK](#), October 2017.

Cuts to council funding in Newcastle equate to £268 per head.³⁷ Between 2011 and 2018, reductions in public spending for Newcastle City Council amounted to £254 million. By 2020, this is expected to increase to £283 million, with the corresponding impact on services and/or how they are accessed. Cuts have also led to a reduction in the financial support provided to third sector organisations.³⁸

30. Since 2010, Newham (East London) has seen its council spending on services cut by a third. Based on 51 in-depth interviews with local residents, Research for Action has revealed how the community suffers the consequences of local government funding cuts. Lack of services, increased barriers to proving eligibility for support, loss of benefits and increased charging for services cause stress, financial difficulties, and mental and physical health problems.³⁹

e) Benefit sanctions are harmful and largely ineffective

31. Welfare reforms brought key changes to the extent and reach of welfare conditionally and the severity of the sanctions.
32. The changes have been particularly harmful for people that struggle the most to make ends meet. Researchers have found a clear correlation between the increase of food bank use and the rollout of universal credit,⁴⁰ and between food bank use and benefit sanctions.⁴¹
33. The House of Commons Public Accounts Committee denounced the “unexplained variation” in the use of benefit sanctions in different parts of the country.⁴² Reflecting on the role of sanctions in getting more people to work, the Work and Pensions Committee concluded that “at best, evidence on the effectiveness of sanctions is mixed, and at worst, it shows them to be counterproductive”.⁴³ Both this Committee and the National Audit Office criticised the government for not doing enough to assess the impact of sanctions on people on low incomes.⁴⁴
34. Rough sleepers who may have extremely limited access to the internet, poor computer proficiency, no secure fixed address to receive correspondence, and little support in order to overcome these barriers, find it extremely difficult to comply with the requirements to receive their welfare payments and this puts them at a high risk of being sanctioned.⁴⁵

³⁷ Newcastle City Council, [Newcastle 2020: Investing in a fairer future](#), February 2018. This section draws on the [submission](#) to the UN Special Rapporteur on Extreme Poverty and Human Rights from Newcastle University and Newcastle City Council.

³⁸ Id, Appendix 4.

³⁹ Research for Action, [Experiences of austerity and council democracy in Newham](#), March 2018.

⁴⁰ The Trussell Trust, [Early Warning: Universal Credit and Foodbanks](#), April 2017; End Hunger UK, [Fix Universal Credit](#), July 2018.

⁴¹ Rachel Loopstra et al, [Impact of Welfare Benefit Sanctioning on Food Insecurity: a Dynamic Cross-Area Study of Food Bank Usage in the UK](#), *Journal of Social Policy* 47(3), 2018, pp. 437-457.

⁴² HC Public Accounts Committee, [Benefit Sanctions](#), February 2017, p. 3, 5 and 7.

⁴³ HC Work and Pensions Committee, [Benefit Sanctions](#), October 2018, p. 18.

⁴⁴ Id, p. 19; NAO, [Benefit sanctions](#), November 2016, p. 7.

⁴⁵ Kesia Reeve, [Welfare conditionality, benefit sanctions and homelessness in the UK: ending the 'something for nothing culture' or punishing the poor?](#), *Journal of Poverty and Social Justice* 25(1), 2017.

35. Many of these difficulties have been further exacerbated by cuts to local authority budgets. For many people libraries are the only way that they are able to access the internet. Yet, between 2010 and 2016 more than 340 libraries closed.⁴⁶ Writing about the government's "digital by default" approach to social security, the UN Special Rapporteur wonders "why some of the most vulnerable and those with poor digital literacy had to go first in what amounts to a nationwide digital experiment".⁴⁷ Digital assistance has been outsourced to underfunded public libraries and civil society. One in three Universal Credit claims fail the application process,⁴⁸ and DWP has no estimate of the number of people who do not even attempt to apply due to digital exclusion.

Recommendations from the Special Rapporteur and other UN independent human rights bodies

- Consider introducing a single measure of poverty based on the Social Metrics Commission,⁴⁹ and measure food security.
- Restore the link between social security entitlements and the cost of living.
- Design and implement a comprehensive child poverty strategy and reinstate the targets and reporting duties on child poverty.
- Conduct an expert assessment of the cumulative impact of tax and spending decisions since 2010 and prioritize the reversal of particularly regressive measures, including the benefit freeze, the two-child limit, the benefit cap, and the reduction of the housing benefit for under-occupied social rented housing.
- Conduct an independent review of the effectiveness of reforms to welfare conditionality and sanctions, and explore more constructive and less punitive approaches to encouraging compliance.
- Ensure local governments have the funds needed to tackle poverty.
- Eliminate the five-week delay in receiving benefits under Universal Credit.
- Separate payments to different household members.
- Facilitate weekly or fortnightly payments.
- Ensure that fiscal policy is adequate, progressive and socially equitable and improves tax collection so as to increase resources available to ensure economic and social rights.
- Commence all the outstanding clauses of the Equality Act 2010 and in particular the socio-economic duty (Section 1).

⁴⁶ BBC, "[Libraries lose a quarter of staff as hundreds close](#)", March 2016,

⁴⁷ UN Special Rapporteur on Extreme Poverty and Human Rights, [Statement on Visit to the UK](#), 16 Nov 2018, p. 7.

⁴⁸ NAO, [Rolling out Universal Credit](#), June 2018, p. 35.

⁴⁹ Social Metrics Commission, [A new measure of poverty for the UK](#), September 2018.