

TITLE OF REPORT: Research on the impact of the roll out of Universal Credit

Purpose of the Report

1. To seek the views of the Health & Wellbeing Board on the findings and implications of research on the impact of the Universal Credit roll out in Gateshead.

Background

2. The full service roll out of Universal Credit (UC) started in Gateshead in October 2017. Qualitative research on the impact of the UC roll out was commissioned by Gateshead Council Public Health Team. Interviews with 33 claimants (including people with long term health conditions, disabilities and complex lives) and 37 staff supporting them were undertaken between April and October 2018.

Proposal

3. It is proposed that members of the HWBB take account of the research findings and identify action that can be taken to mitigate the effects of UC locally:
 - UC is having a profoundly negative impact on the mental and physical health, social and financial resilience and employment prospects of claimants, resulting from the claims process itself, and the consequences of managing on UC.
 - Claiming UC was experienced as complicated, difficult and demeaning. Participants described a labyrinthine, dysfunctional UC system prone to administrative errors, experienced as impersonal, hostile, degrading and difficult to navigate. The requirement to initiate and manage a UC claim online was problematic for many participants. Digital literacy, verifying identity online, lack of computer access/bank account and /or email address added to the difficulties of the UC application.
 - Consequences of waiting for payment of between 5-12 weeks (on average 7.5 weeks) pushed many into debt, rent arrears and serious hardship, which included going without food and utilities. Few were offered alternative payment arrangements, such as fortnightly payments or payments direct to landlords.
 - The impact of claiming and managing on UC was profound; increased conditionality, harsh deductions, threat of sanctions, increased arrears, risk of eviction and homelessness, food and fuel insecurity, further exacerbated health conditions. UC impacted so negatively on claimant's mental health that some had considered suicide.
 - Staff supporting UC claimants described confusing, inconsistent and inaccurate advice from UC helpline staff, and delays in correcting mistakes. The arbitrary nature of UC decision-making lead to frustration and concern for claimants ahead of managed migration. Fears were expressed about the anticipated effects of the

'two-child limit' on larger families. Significant workload pressures and additional costs were described for voluntary and community sector organisations, local government, and the wider health and social care system as a result of UC.

- UC is not working for vulnerable claimants and does not achieve its aims of simplifying the benefit system and improving work incentives. UC adversely affected vulnerable claimant's rights to health, social security and an adequate standard of living, increasing poverty, insecurity and social isolation among people with disabilities and health issues.

Recommendations

4. The Health and Wellbeing Board is asked to:

- (i) Consider the research findings and potential implications.
- (ii) Identify appropriate action to mitigate the effects of the UC roll out locally.
- (iii) Urge the government to:
 - review the impact of the roll out of UC on vulnerable claimants across the UK, including the effects of (minimum) 5 week payment delays and punitive sanctions;
 - update the Equality Impact Assessment of Universal Credit to include lessons learned from the areas in which full service has been rolled out;
 - undertake an independent, cost benefit analysis of Universal Credit;
 - take steps to monitor the monetary, and any other, impact of Universal Credit on the wider health and social care system, and on voluntary and community sector organisations.
- (iv) Write, on behalf of the HWBB, to the Secretary of State for Work and Pensions to register concerns about the impact of UC on vulnerable Gateshead residents in light of the research findings.

A copy of the full research report is available here:

https://www.gateshead.gov.uk/media/10665/The-impact-of-the-roll-out-of-Universal-Credit-in-two-North-East-England-localities-a-qualitative-study-November-2018/pdf/Universal_Credit_Report_2018pdf.pdf?m=636778831081630000

The research generated local and national media interest. It was reported in the Guardian on November 15th 2018 and was referenced by the UN Special Rapporteur on Extreme Poverty and Human Rights in a statement following his visit to the UK (Alston 2018:5):

<https://www.theguardian.com/society/2018/nov/15/exclusive-new-study-links-universal-credit-to-increased-suicide-risk>

https://www.ohchr.org/Documents/Issues/Poverty/EOM_GB_16Nov2018.pdf

Following publication of the research, written Parliamentary questions were tabled in the House of Lords by Lord Beecham and written responses received from Baroness Buscombe on 28th November <http://www.parliament.uk/writtenanswers>.

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