

APPG on Poverty: Evidence session

Thursday 14th January, 2021 at 2pm

Zoom

Evidence session on the impact on poverty of not maintaining the £20 uplift in universal credit and working tax credits, as well as the impact of not extending this uplift to legacy and other benefits

Attendees:

Neil Gray MP (Co-Chair), Kevin Hollinrake MP (Co-Chair), Afzal Khan MP, Baroness Ruth Lister, Ben Bessey (office of Lyn Brown MP), Olivia Walsham (office of Kate Green MP), Miriam (office of Apsana Begum MP), Samuel Spong (office of Rushanara Ali MP), Josephine Amos (office of Afzal Khan), Lawrence Stewart (office of Marion Fellows MP), Joanna Firth (office of Lord Blunkett), Louisa McGeehan (Co-Secretariat, CPAG), Zhané Edwards (Co-Secretariat, CPAG), Zach Mills, Duncan Hartfield, Francesca Maddison, Fran Bennett, Geoff Fimister, Shirley Widdop, Michelle, Dan Paskins, Alistair McNeil, Audrey Symes, Becca Stacey, Caroline Read, Clive Chapman, Connor Drake, DAdebiyi, Edgar Penolla, Jessica Ford, Wayne Green, Adam Booth, Alessandra Sciarra, Alexandra Chapman, Amanda Bailey, Anastasia Berry, Becka Kellaway, Bel Crewe, Connor Drake, Faye Bolan, Charlotte McDonough, Charlotte Rose, Daniel Edmiston, Ed Devane, Ella Abraham, Emma Stevenson, Emily Anderson, Fahmida Rahman, Gary Simpson, Hannah Greer, Holly Bragg, Janet Harkin, Jase Wheatley, Jemma Crew, Jo McBride, Josie Horton, Lucy Bannister, Kayleigh Garthwaite, Louise Murphy, Northfield Food Service, Malcolm Torry, Paula Swann, Rachel Cain, Rachel Lumsden, Richard Woodward, Rory Hannon, Salma Hamid, Sam Tims, Sarah Murray, Sonia Meikle, Thomas Cave, Tricia Cazenove, Vicky Chapman, Zoe Charlesworth, Rasha, Nichola Salvato, Laurence Greenway, Grace Brownfield, Gavin Rice, Vaidehee Sachdev, Stef Francois, Emma Stevenson and Eleanor Cope.

Apologies:

Baroness Christine Blower, Tony Lloyd MP, Lord Bird, Helen Hayes MP, Tracey Crouch MP, Rachael Maskell MP and Wanda Wyporska (Co-Secretariat, the Equality Trust).

1. Presentations from selected witnesses

Francesca Maddison, Policy and Partnerships Officer - Social Security, Joseph Rowntree Foundation

- Many families entered the pandemic with low financial resilience due to income stagnation as a result of cuts and freezes to benefits.
- If the uplift is not maintained, the main rate of unemployment support will be at its lowest level in real terms since 1990, and one of the lowest amongst OECD countries.
- 6.2 million families will have their incomes cut by £1000 a year if the government cut the £20 uplift, and will pull 500,000 people, including 200,000 to 300,000 children, into poverty.
- The impact will be highest in areas such as the North, Wales, Midlands and Northern Ireland. This means that many people in now 'Blue wall' seats will see a significant income drop, despite being promised that their constituencies would benefit from levelling up.

Dan Paskins, Director of UK Impact, Save the Children UK and Michelle, single parent receiving legacy benefits

- People already in poverty are 50% more likely to have lost their jobs since the pandemic.
- Michelle spoke about her own experience as a former worker in finance, who fell on hard times after her health worsened and marriage broke down.
- Michelle has two children and explained about considering whether to 'migrate' to universal credit but needing to first save money in order to migrate to universal credit, money to sustain her family for the five-week wait.
- She explained that she has not been eligible for other support on offer such as an increase in local housing allowance and mortgage holidays.
- Michelle said she would use the £20 uplift to keep her house warm - helping to alleviate her arthritis and her son's asthma, and provide more food security.

Shirley Widdop, disabled lone parent and activist, Covid Realities

- Shirley highlighted how disabled people have been further excluded by having to shield themselves, and due to the lack of awareness of some lesser-known disabilities, people are not receiving government support.
- Families who are home-schooling/ home educating haven't received any government support in relation to free school meals or other assistance to help with the additional costs of the pandemic.
- The £20 uplift would allow Shirley to reach the minimum online basket price for online supermarket delivery orders. It would also mitigate the extra costs of bulk buying as low-income families are often left without when supermarket shelves go empty.
- The uplift would also help with paying bills, especially as the effects of her disability are worse during the colder months, and feeding her growing teenage son.

Geoff Fimister, Policy Co-Chair, Disability Benefits Consortium

- The DBC call for an extension of the £20 uplift to legacy benefits as well as to analogous benefits such as the contributory versions of ESA and JSA, and carers allowance.
- The argument that it is only possible to uplift universal credit and tax credits because of IT limitations is not good enough.
- DBC survey respondents reported difficulty in meeting increased living costs including food, heating, telephone bills and transport (having to use taxis rather than public transport).
- Migration to universal credit is not the answer as some people may actually be worse off on universal credit. On the other hand, people may be better off on universal credit with the uplift, but would then be worse off again if the £20 is withdrawn.
- The £20 uplift should not only be seen as a financial rescue for people who are struggling, but also as an investment in enabling independent living for people who might have had to rely on public services.

Fran Bennett, University of Oxford and Member of the Policy Advisory Group, UK Women's Budget Group

- Women are more likely to work in sectors hardest hit by the pandemic.
- More attention should be paid to new-style ESA and JSA which should also benefit from the uplift as they consider individual income. This is in comparison with couples on universal

credit where DWP takes into account the income and savings of one partner even when the other is unemployed when calculating entitlement.

- The best way to get support to families with children is to increase child benefit.
- There has been no specific additional social security help for children apart from free school meal replacements during the holidays.
- If children are going without parents, and more often than not, mothers will be going without as well.

Duncan Hatfield and Zach Mills, Policy and Data Analysts, Policy in Practice

- Modelling shows that maintaining the £20 uplift would allow 250,000 households to meet their essential costs.
- 32% of new universal credit claimants will need to apply for an advance, which will result in more households not being able to meet their essential costs because of deductions to repay the advance.
- Existing policies like the benefit cap have prevented thousands of households from benefiting from the uplift. This is prominent in high-rent areas such as London.
- The groups most affected by cutting the uplift would be large families affected by the two-child limit and self-employed people.
- The ability to increase household income through employment is limited due to rising unemployment and lack of jobs, so it is essential to have a strengthened social security system.

2. Q&A

- Baroness Ruth Lister asked what would happen if the government decide to keep the £20 uplift but then freeze universal credit rates?
 - Geoff Fimister underlined that benefits policy should be informed by the Minimum Income Standard.
 - Dan Paskins emphasised the need for government to work with more experts by experience.
- Neil Gray MP asked what has been the impact of Covid-19 on incomes?
 - Both Shirley and Michelle shared their experiences of relying on credit to fill income gaps.
 - Michelle explained how she had not received a laptop for her child to be able to do remote learning.

3. Any other business

Neil Gray MP thanked all the contributors to the APPG and reminded attendees that all evidence submitted will be compiled into a report as part of the APPG on Poverty's representations to the Government.

4. Next meeting

It was agreed that the next meeting will be an Officer only meeting where the APPG will look over the report based on the evidence received and will discuss longer term work.

The meeting closed at 15:30.