

APPG on Poverty - Inquiry into the (in)adequacy of Social Security
Evidence session 1
Tuesday 7th March 2023, 1pm – 2pm
Room N, Portcullis House

Attendees: Baroness Ruth Lister (Chair), David Linden MP (Co-Chair), Beth Winter MP (Officer), Rob Donnelly (Co-Secretariat, The Equality Trust), Zhané Edwards (Co-Secretariat, CPAG), Iain Porter (JRF), Sam Robinson (Bright Blue), Alex Clegg (Policy in Practice) and Matt Padley. (Centre for Research in Social Policy at Loughborough University)

Minutes

- Co-Chair, Baroness Ruth Lister introduced the meeting.

- **Iain Porter - Senior Policy Adviser at JRF speaking on behalf of JRF and the Trussell Trust joint 'Essentials Guarantee' campaign.**
- Iain presented a short slide show
- A 2022 report by JRF/IFAN found that social security does not protect people from hardship.
- A survey by JRF found that 90% of low-income households on Universal Credit went without at least one essential item.
- The Trussell Trust has reported an increase in food bank usage, with users having to take cold showers and turn off appliances due to rising costs. The low basic rate of Universal Credit and various deductions applied to claimants are the key factors driving food bank need.
- JRF proposes a legal requirement for the government to ensure that UC's basic allowance covers life's essentials and to establish an independent process to recommend a minimal level of social security. Recent polling found that 2/3 of the public think the basic rate of UC is too low.

- **Sam Robinson, Senior Research Fellow - Bright Blue**

- Bright Blue released a report called "Building Up" which aims to identify cross-party consensus on social security reforms and examines public attitudes towards social security after the pandemic. The report highlights the need for reform and argues that social security spending is roughly £39 billion lower than it would have been since 2010.
- Despite a 4% decrease in absolute poverty in the 2010s, destitution has increased. The report argues that households with a long-term unemployed or disabled member are more exposed to the reduced level of social security generosity.
- The report also argues that adequacy should be the guiding principle of the social security system and that there is broad support for increasing social security.
- Bright Blue recommends expanding the role of the Social Security Advisory Commission to create a new minimum living income benchmark, modelled on the Low Pay Commission.
- They suggest a reformed SSAC have 6 independent experts, 4 political appointments, and 2 experts by experience, to ensure adequacy in the social security system.
- The main objective of the reformed SSAC would be to bed in a cross-party consensus on social security adequacy, and the relevant government minister would still get the final say.

The aim of the SSAC is to achieve what the Low Pay Commission has done with the National Minimum Wage.

- **Alex Clegg, Senior Policy and Data Analyst - Policy in Practice**

- The analysis submitted by Policy in Practice was based on 114,000 low-income households across 6 local authorities in the UK, which found that 28% of these households will not be able to meet their living costs from April 2023.
- The report suggested that discretionary support is not the solution to lack of social security adequacy and that there should be a political consensus on what the social security system should be setting out to achieve.
- Policy in Practice also recommended a different mechanism to uprating on an annual basis and suggested that if inflation reaches a certain threshold, an immediate uplift in rates of benefits should be triggered to prevent the rate of benefit payments lagging behind increases in prices.

- **Matt Padley, Co-Director, Centre for Research in Social Policy at Loughborough University**

- The Centre's research focuses on income adequacy and establishing a public consensus on what is an acceptable minimum standard of living.
- The Minimum Income Standard (MIS) establishes a vision of what society should look like and the income needed to participate fully in society.
- The Centre's research shows that the current rate of Universal Credit for under 25s is particularly low, and they often struggle to make ends meet. The proportion of the MIS that is provided by out-of-work benefits has fallen since 2008. The focus is on participation in society, and an income guarantee could be a steppingstone towards this.

Questions from parliamentarians

- Baroness Ruth Lister opened by asking all panellists what the social security system is trying to achieve – e.g. is about preventing destitution, keeping people out of poverty or is it about enabling people to fully participate in society?
- Iain – JRF - The social security system should ensure that everyone can afford a minimum standard of living to participate fully in society. The current basic minimum is far from being met, and a strong line in the sand should be drawn to ensure that no one falls below a certain level. Social security has different objectives, but the essentials guarantee is focused on meeting the basic minimum standard of living.
- Baroness Ruth Lister asked if JRF's research looked at whether the public would support something more generous than the essentials guarantee.
- Iain said that their research tested various levels for the essentials guarantee. 72% agreed with the suggested levels for the essentials guarantee.
- Sam agreed that preventing destitution should be the minimum objective of the social security system but believes that setting the rate of benefits is ultimately a political decision.
- Alex said living on such a low level of support can lead to debt and other problems, and it doesn't prepare people for work and added that building a cross-party consensus, like the triple lock on pensions, should be prioritised.
- Matt felt that it is more important to consider what is deemed essential rather than coming up with a set number for a minimum income standard.

- Baroness Ruth Lister asked if all panellists agreed that the under 25 rate of Universal Credit should be abolished.
- All panellists agreed that the under 25 rate of Universal Credit should be scrapped.
- Baroness Ruth Lister asked if any government would be willing to surrender their power of setting benefit rates to an independent body?
- Iain clarified that the government would ultimately set that minimum guaranteed level. The same way it does for other benefit rates. He cited the Low Pay Commission as example and that it is difficult for government to reject recommendations from such bodies.
- Baroness Lister recognised that there was broad agreement in the room for an independent body that would make recommendations on benefit levels to government.
- So, I think there is a agreement that there should be some kind of independent body – it would make recommendations but those recommendations would carry quite a lot of weight and the government would have to explain to Parliament why it wasn't following them.
- David Linden MP asked if there would be scope for the devolved nations to be involved in the proposed reforms to the SSAC.
- Sam stated that the aim of the reformed SSAC would be to mirror the model of the Low Pay Commission.
- The discussion then turned to how single person households were often left in the most vulnerable position. David Linden MP raised the issue of the inadequacy of PIP to cover the cost of living with a disability and asked if any panellists had anything to add specifically on the disability issue?
- Matt emphasised that there are additional costs associated with disabilities and social security benefits often do not cover the extra costs. He also mentioned that UC rates are not based on any kind of assessment.
- Iain raised the issue of PIP recipients using their payment to pay for the increased cost of living and that this is evidence that the core rate of UC is too low. He also added that JRF research found that around half of families in poverty have someone who is disabled in their household. JRF estimate that the essentials guarantee would benefit more than half of working age households with a disability in the UK.
- Unfortunately, there wasn't time to take questions from the public.
- Meeting closed.