

House of Commons Work and Pensions Committee Enquiry May 2023

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Introduction

In the following submission, we draw on published literature and evidence gathered from 41 children and young people aged 12-16 years, living in North East England, who participated in a study funded by Newcastle University QR Policy Support Fund, led by researchers from Newcastle, Northumbria and Cumbria Universities. The aim was to understand young peoples' views about Universal Credit (UC) and the welfare system in the UK more widely. To date, children and young people's voices have been largely absent from discussions about UC policy and its effects ([Bidmead et al 2023](#)), with research focusing on the general household, often from the perspective of an adult ([The Children Society 2016](#)), which may be misleading. We wanted to understand children and young people's views about the UK welfare system, amidst claims that parents and carers shield their children from the effects of material deprivation ([Knies 2017:16](#)). We think the findings will be of relevance to the enquiry in to benefit levels in the UK.

Changes to benefits and social support in the UK have had a disparate impact on children (Hood and Waters 2017), including the bedroom tax ([Moffatt et al 2016](#)), benefits cap ([Patrick 2017](#), [Grover 2020](#)), and the introduction of the two-child policy for children born after April 2017 ([Alston et al 2019](#)). The benefit freeze and

sanctions against parents have unintended consequences for children and are thought to be driving increases in child poverty ([CPAG 2019](#)).

Particular features of UC design impact CYP living in poverty, including the digital by default claims process, monthly payments in arrears, and enhanced conditionality requirements ([Koch and Reeves 2021](#)). The minimum five-week wait for an initial UC payment can leave families without enough money to pay bills or provide food for their children ([Loopstra et al 2019](#)). Advance payments of UC provided as loans and deductions exacerbate hardship and debt amongst UC claimants ([Children's Society 2020](#)), affecting social relationships, provoking stigma and shame (Cheetham et al 2019). The changes recently announced to job-seeking requirements for parents of children as young as 12 months are likely to have a stark impact on single parents ([JRF 2018](#)).

UK and international studies show that many children worry about family money, with the youngest age group (8 year olds) worrying the most ([Children's World International Survey of Children's Wellbeing 2020](#)). Life chances of children depend heavily on the resources of their family and perceptions of social standing ([Rivenbark 2020](#)). Compelling evidence shows even fleeting exposure to poverty in childhood leads to higher risk of mortality in early adulthood from suicide, accidents and cancer (Dyer, [2019](#); Rod et al., [2020](#)). Heightened stress due to poverty puts strain on families, erodes domestic relationships and mental health, and leads to negative parenting behaviours, increasing the risk of child abuse and neglect ([Bywaters et al 2016](#)).

In response to questions posed by the Work and Pensions Committee, we include anonymised quotes to illustrate findings from a pilot study undertaken in North East England in 2022/23:

Adequacy of benefits

- **What 'essentials' should working-age benefits in the UK cover? Are current working-age benefit levels sufficient to cover those needs?**

In August 2022, there were over 5.5 million people claiming UC, 41% of whom were working, and over two million children lived in households receiving UC ([Department for Work and Pensions, 2022](#)). Thirty per cent of children and young people are growing up in poverty, and it is estimated that a further 300,000 shifted into poverty following the £20 per week cut to UC in October 2021 ([Joseph Rowntree Foundation 2021](#)). A recent report found that the current UC amount is too low to meet basic needs, meaning that many people are living without essentials such as food, electricity and gas, clothes and shoes ([Bannister et al., 2023](#)).

Participants in our pilot study identified essential items required for a young person to live a normal and healthy life as: access to education; nutritious food; safe and secure housing; social opportunities; supportive family and friends and ability to pay essential bills. Most suggested that every person has a right to a basic standard of living to be healthy. One participant commented "*Money is health in a way. You need money to have health*". Poverty was seen to impact most aspects of young people's

lives, at home, school and in their local neighbourhood, affecting their health, happiness, education, social relationships and future life chances.

A majority of young people who took part in the study described young people's lives, including their mental health, as negatively affected by economic hardship as they struggle to fit in socially and at school with peers. Older participants (aged 16) said young people's awareness and understanding of the impact of financial difficulties increased with age. Young people were aware when parents and caregivers were struggling financially and stressed about money.

You can see when your parents are struggling...Now we're getting older like we're starting to realise, we're getting to this age now where we understand what's going on [f2f paired interview, Newcastle].

In response to questions about social security and Universal Credit specifically, participants understood UC in multiple different ways. Many described UC as money for "people who need it" [ID03-05] to support 'basic' needs, referred to as the 'bare minimum', namely food, water, housing (shelter, warmth and safety) and household bills (rent, electricity and gas).

Participants identified UC claimants might include people who were unemployed, or unable to work or working but on a low income, older people, single parents, those with caring responsibilities, adults and children with disabilities (including hidden or invisible disabilities such as autism or ADHD). Some also understood that UC was money to help people with health problems or disabilities to manage the cost-of-living crisis.

Like if your mental health is bad for example, and you can't work for a reason, you can get like benefits to go on off the government

If you're not well enough to work, they'll give you some money for the cost-of-living crisis as well [WS131022]

[Face-to-face workshop, Durham]

Other participants recognised that those in paid work might not earn enough to meet their basic needs, leaving people struggling with in-work poverty:

Even if they do work, their wages could be too small to properly support their daily lives, and so therefore the government supports them with extra money.

Young people talked about the impact of economic inequalities on young lives and education. When asked what might happen if a young person did not have access to basic essentials to meet their needs:

End up on the streets, bad mental health, not gonna get nowhere in life, lonely

Frequent mention was made of the impact of financial hardship on mental health and young people's ability to cope. Lack of money for social opportunities was thought to increase isolation and loneliness. Some drew attention to how difficult Christmas and birthdays would be for families on a low income due to the increased expense.

Adequacy of benefits

- **What principles should inform the design and delivery of the working-age benefits system (e.g. fairness, transparency, inclusivity)?**

Fairness was a recurring theme in discussions with young people who took part in this study. Young people observed inequalities in education, social, recreational and employment opportunities linked to the neighbourhoods in which young people grow up. Poverty and financial insecurity were seen to affect current and future life chances in profound ways. The foundation for a normal life for young people in this study was seen as living in a household that has access to a stable income.

Young people felt the design and delivery of a working age benefit system should take account of people's personal, social, caring and health related circumstances. Most young people thought claimants under 25 should not receive less than those over 25s; a few thought under 25s should receive more as they move into independent living. One participant thought it was OK for under 25s to receive less as it would teach them how to manage on a budget.

Participants felt that the two child limit introduced in April 2017 was unfair to families with more than two children, as costs were generally higher for larger families. Many thought that the claimant commitment in UC should take account of people's caring responsibilities, long term health conditions, and disabilities, including invisible disabilities like ADHD or autism. Some suggested that sanctions were unfair to single parents and did not appear to take account of the difficulties finding work that fits a person's skills and unpaid caring commitments – including for older relatives. They felt the requirement to travel long distances to work particularly unfair because children would have less quality time with their care givers.

In short, concepts of economic (in)equality, social justice, power and control were emphasised by study participants, suggesting potential future studies could focus on young people's views about the principles underpinning a fair and just benefits system.

Accessibility and Administration

- **What changes should be made to the administration of working-age benefits?**

The main recommendations from our study relate to the design and implementation of Universal Credit and the need to monitor its effects on households with children:

- Urgent review of UC deductions and sanctions, particularly any impacts on children and young people's health.

- Urgent review of the Equality Act 2010 to establish legal protections for people who are subjected to prejudicial and discriminatory behaviour on the basis of socioeconomic hardship.
- Funding to increase capacity for voluntary and community sector organisations and charities, including Citizens Advice, legal aid and local welfare rights advice services to increase awareness and knowledge in schools and communities of how the social security system works.
- Funding of independent research, to determine the cost of essential items for a household (excluding rent and council tax) to establish a UC standard allowance that meets essential needs for good health.
- Update the Equality Impact Assessment of UC for those with protected characteristics such as a disability.
- Funding to establish community-led approaches to involving children and young people in future social security policymaking through youth advocacy groups and organisations.
- Targeted financial support for food, energy and housing costs for those facing the worst financial hardship
- Investment to improve access to secure housing, legal advice and employment opportunities in economically underserved areas
- Action in response to the [‘Essentials Guarantee’](#) campaign
- **Are there any particular groups who have been ‘left-behind’ in the design of working-age benefits policy?**

Children and young people

The findings of our study suggest that children and young people are directly and indirectly affected by working age benefits policies introduced and implemented by the UK government. Young people (aged 11-16 years) who took part in our study were keen to learn about the benefits system and understand more about Universal Credit and how it works. Community-based youth clubs and school-based personal, social and health education lessons were suggested as appropriate settings to help young people gain better understanding of the benefits system, their rights, responsibilities and entitlements. Young people were keen to acquire practical financial knowledge and skills that could be applied in everyday life. Young people were also keen for their views and experiences to influence policy making at national and local level. They wanted to see fair and supportive social security policies that take account of people’s circumstances. We believe that this will help government to understand how to optimise social security policies to provide all children and young people with fair access to the essential conditions they need to thrive.

- **What information should the Government publish to facilitate the effective scrutiny of benefit levels?**

The government should routinely publish data about the numbers of children and young people living in households in receipt of working age benefits who are living in poverty.

The government should monitor, measure and publish information about the effects of sanctions on parents, carers, children and young people's health and wellbeing.

DWP should commission and publish independent research about the experiences of Universal Credit claimants with disabilities and long term health conditions and the impact of UC on households with children and on lone parents.

DWP should routinely involve working age benefit claimants who are parents and carers in the design and delivery of an effective and efficient welfare system and publish the ways in which service user feedback has been used to inform policy.

Questions highlighted in yellow are those to which we have submitted a response:

Adequacy of benefits

- What 'essentials' should working-age benefits in the UK cover? Are current working-age benefit levels sufficient to cover those needs?
- Are additional components of benefits, such as Personal Independence Payments, sufficient to cover the costs they are intended to cover?
- Are working-age benefit levels appropriately set to encourage people who are able to work into work?
- What lessons can be learned in respect of benefits provision more generally from the £20 uplift to Universal Credit, introduced during the pandemic?
- What principles should inform the design and delivery of the working-age benefits system (e.g. fairness, transparency, inclusivity)?

Designing benefits policy

- What should be the purpose of working-age benefits?
- What is the role of i) the benefit cap; ii) repayments; iii) sanctions on the adequacy of benefits?
- What is the impact of No Recourse to Public Funds conditionality on benefit provision for affected households?
- What role could, or should, an independent body undertake in advising Government on benefit policy?
- How does the design of benefit provision within the UK's four nations vary? How are recipients of working-age benefits affected?
- Are there any international comparators the Committee should look at for this inquiry?

Work incentives

- What impact do working-age benefits, such as Universal Credit, New Style Job Seeker's Allowance and New Style Employment and Support Allowance, have on work incentives?
- What is the impact of policy interventions designed to incentivise work, such as sanctions, on the adequacy of support received by individuals—both monetarily, and in how they help individuals to find work?
- What role should contributory-based benefits play in the welfare system?

Accessibility and Administration

- What aspects associated with the administration of benefits impact the adequacy of experience for claimants?
- What changes should be made to the administration of working-age benefits?
- Are there any particular groups who have been 'left-behind' in the design of working-age benefits policy?

Scrutiny

- How effective is parliamentary scrutiny of benefits levels?
- What information should the Government publish to facilitate the effective scrutiny of benefit levels? How frequently should such information be published?

The Committee welcomes submissions on any or all of the following questions by Wednesday 3 May 2023.

Total of 2560 words