The government must tackle universal credit problems

As this editorial is being written, Theresa May has just given her closing speech to the Conservative Party conference. Pressure has been building on the government to dial back austerity, improve the affordability of housing, do more to create financial security for young people, and fix its flagship welfare reform programme: the now infamous universal credit. The articles in this issue highlight some of the challenges it might have addressed: the cost of austerity for single parents, the rise of food bank use, and the growing problem of in-work poverty.

The Prime Minister has announced a modest increase in investment in council housing, but not much else to answer the concerns of struggling families and young people. Many, including Conservative MPs, have called for a pause in the roll-out of universal credit before it accelerates this month, in the face of mounting evidence of severe and systemic problems, but will have been disappointed by the decision to continue as planned.

An avalanche of case evidence shows the difficulties which universal credit can create. These include the six-week wait for payments, mistakes which leave people without money for far longer, and problems for those on irregular or non-monthly pay who face unpredictable or reduced entitlement. We also know that many people are simply being left worse off – analysis by CPAG and the Institute for Public Policy Research has shown that the cuts to universal credit will mean a million more children living in poverty when the roll-out is finally completed.

A snapshot of cases recently submitted by claimants themselves to the Work and Pensions Select Committee about their experiences of universal credit make for alarming reading.

Nicola, a single mother with a disabled 10-year-old and a new baby, is ‘terrified of how I’m supposed to survive for the next six weeks plus with nothing coming in… I feel absolutely sick at the thought of what’s going to happen to us.’ Khadija says: ‘Universal credit has made me suicidal over the past few months. I have budgeted [as] best I can but once I pay rent, council tax, gas, electric, water and food for my daughter my money has gone. I’m in so much debt.’ Robert, a self-employed single dad of two, says that ‘all payments to date have been late, wrong or both! Numerous mistakes… have led to my business choking and dying.’ And Kelly, who has disabilities, says that universal credit has made her and her partner ‘100s worse off a month… and we are penalised to the brink of ruin.’

The government has announced it will make more advances available for people struggling to cope while waiting for payment. While welcome, this is not an adequate response to the problems faced by people like Sarah: ‘[I received] an advance payment which wasn’t even enough to cover my rent, let alone live on and feed my child. As a result I used foodbanks, I ended up homeless, I got into severe debt and fell into depression.’

It is just over a month till the Budget, which means another opportunity. CPAG will be calling on the government to take the evidence of the problems with universal credit seriously. Let’s keep up the pressure.

The views expressed in Poverty are not necessarily those of CPAG. We welcome articles and other contributions from our readers.

Poverty is the policy journal of the Child Poverty Action Group. It aims to carry articles and features that will inform, stimulate and develop the debate on the nature and causes of poverty in its various forms and on the action required, especially by governments, to relieve and ultimately prevent it. Our objective is to publish material that achieves a high standard of analysis, without sacrificing clarity or accessibility, to specialist and non-specialist alike.