



EXISTING NOT LIVING

**An insight into the experiences of
Universal Credit from
Wheatley Group tenants
Executive Summary**

A report by UNITY Consulting Scotland

EXISTING NOT LIVING – EXECUTIVE SUMMARY

This research has been commissioned by the Wheatley Group, Scotland's largest housing, care and property management group. Wheatley commissioned Unity Consulting Scotland to research the ways in which Universal Credit (UC) is impacting upon tenants of the organisation and the Registered Social Landlords (RSLs) that are members of the Wheatley Group.

The research was carried out against a context, and an awareness, that those in receipt of UC and who live in poverty, alongside many people not considered to be on the lowest rungs of the income ladder, are facing new, intensified economic challenges. These challenges are compounding the pre-existing difficulties that the poorest people across the UK already faced in trying to meet their basic needs.

This research draws on existing literature and the data we have gathered from Wheatley Group tenants. Their contributions are the most powerful part of this research. We wanted to hear from them about their life experiences as people who claim UC and how its implementation and practice impacts upon them and their families. Their voices have enriched this research.

People claiming UC are currently facing a perfect storm of challenges. Rising inflation across the economy, including soaring energy costs and rising food prices, are resulting in a cut to the value of UC and people's incomes in real terms. The economic challenge facing people has been compounded by the cut to the £20 uplift that UC claimants received during the pandemic.

Notwithstanding these challenges, there is a widely held view that the rate of benefits paid is insufficient in the first place and even with an inflation matching rise people on UC will still struggle to get by. Considering below inflation pay rises and a long-term trend of falling wages, the cumulative effect is driving even more people into poverty with many facing destitution. Prior to the cost of living crisis, it was reported how "One in 10 UK families – about 3m households – are facing a cost of living crunch this winter, unable to cover even basic bills such as food and heating."¹

Increasing numbers of people are struggling to heat their homes and eat healthy, nutritional food in sufficient quantities; not to mention their other bills including their phone, broadband and wi-fi, which are core needs for anyone claiming UC.

¹ [One in 10 UK families will struggle to cover basics this winter, charity finds | Poverty | The Guardian](#)

The pressure of this results in stress, anxiety and growing mental and physical health problems, family breakdown, reliance on charity for food and the accompanying loss of dignity, and other unintended consequences.

There are also concerns about the design of UC, its processes, and the application of these rules and how they impact people claiming UC. In designing the system, assumptions were built in that did not accurately reflect the reality of people's lives. It assumed that claimants had savings, that they experienced wages being paid monthly and how waiting 5 weeks for UC would mimic their experience of how they were paid at work, that all claimants were IT literate and all had access to electronic devices to make a claim. These were flawed and unrealistic assumptions

There is a growing body of research that shows how the processes and rules around UC are making things worse for many people rather than better. Raising fundamental questions about why the Government insists on maintaining the current rules, given the growing evidence showing how the current system is having a negative impact on so many people.

INTERVIEWS WITH WHEATLEY TENANTS

What we learned from people during our research is sobering. We heard how people feel set up to fail and treated as a number rather than as human beings and how the system applies a one size fits all approach to the millions of claimants from diverse backgrounds - all with different circumstances. The voices of people, who claim UC, in this report provides an insight into a world that many people do not inhabit and have no idea about.

The interviewees came from different backgrounds and a variety of circumstances. Each had different experiences and represented different demographics. The following is a snapshot and glimpse of what was said to us during the 20 interviews we conducted:

Tenant D, a single man, offered a profound description of what life is like when claiming UC.

'(UC works) If you want to live a simple life but I'm kind of just existing rather than living'

Tenant D was grateful to be receiving any support at all but at the same time he set out what it was like to live on UC.

"It's just existing and when I think about it I don't know how much more I can go on like this...it's not very practical trying to get by every day. Obviously, I still see that I'm lucky I'm getting what I'm getting."... I know it could be a lot worse. But, you are just existing on it. That's my summary of it. But it could be a lot worse."

Tenant C, had, at points, felt defeated by the system:

"There were points when the system just completely defeated me. It's too hard. It's too hard, and it's too humiliating for people. You have to completely justify everything that you've done. You're sitting and you're thinking this is my money, I worked for this money. Why have I got to justify to them why I bought a washing machine? Or a fridge freezer? What's that got to do with them? But that's the lengths they go with people."

Tenant S is a married father of 3 children. He sought asylum in the UK and was granted leave to stay in 2020. He started claiming UC at that point. He works part time as well as claiming UC. He described his experience:

"If I go back to 2020 when I started claiming UC, as a family, we were struggling to survive. We have a dream to save an amount of money and travel to other countries but to be honest, with UC you are living to survive, that's all. You cannot save, if you were to save a month or 2 this would always end up being spent on living costs."

Tenant B, a single mother of four children described struggling to pay her energy bills:

"Oh my God. That's a no-go area for me because every day with electricity, if I top up £50 it is gone... And the gas is another one, I just try to manage day by day and take each day as it comes, but sometimes I just have to let those be. I can't meet them, I will just say OK, there's nothing I can do. Let me just pay the ones I can pay. I will just buy what I can buy with electricity. But I have to change to 'pay as you go' because the direct debit they were collecting from me too, was going up virtually every month...So, I have to tell them please I can't do that anymore. Let me go on pay as you go."

Tenant K, who lives in a rural location with her partner, her daughter and granddaughter said:

"It can be a struggle.... a lot of the time Council tax will not get paid. As long as the rent is covered and there is food in the house. Regarding electricity going up,

that definitely got to me. And yes, the Council tax very often gets put to the side. You get the debtors chapping at your door saying you have got a huge bill to pay.”

Tenant A describes the challenge facing people trying to balance their outgoings with their income:

“Trying to live on £243, that's horrible”... “I'm expected to feed myself, pay my Council tax, gas and electricity, pay debt and rent arrears”...

“It's physically impossible to pay for all that and of course also your internet or some kind of mobile phone with internet, which you need to have if on Universal Credit. It's impossible, even if I was on (the full amount of £324²) it's impossible, let alone with £243, which I'm on because of debt.”

Tenant K spoke of how she was eating less, saving money on energy bills and food as a result of the increased cost of living:

“When the weans are at school I would have a coffee in the morning and wouldn't eat until they came home because I'm saving on the gas and electricity by not cooking anything.”

“I'm saving on food because a coffee will be fine and I save the food for them coming home.”

Tenant G spoke about how he hadn't bought clothes for years due to his income:

“I've not been buying clothes. When I was working I bought one pair of trainers and they basically got worn out while I was working and that was the last time I ever bought any clothes or footwear. That was 3, probably 4 years ago. Prior to that I got clothes through a charity, through the council, and I got a bunch of secondhand clothes that I still have.

Tenant Q said about the impact of insufficient income:

“Gas, electricity, food, soap powders and all different things I have to get and it's still a struggle... I go for less showers, I skip at least one meal a day, It's usually without breakfast or lunch. I can't have 3 meals a day any more. Which isn't very good.

² This is the standard allowance he is entitled to as a single man looking for work. In addition he also gets his housing costs paid for.

"My hygiene is affected as you're going without showers for a certain amount of time because you don't want to use electricity to get the hot water."

Tenant H said about how being on UC impacts him:

*(Being on UC and struggling) "Makes me feel s**t, some days I just get on with it, a lot of days I wake up and think there's no point. Unfortunately, I have depression and this doesn't help. Getting up to a cauld hoose does not help. I cannae bring my friends up because it's not a welcoming environment and so I end up sitting on my own. When I'm lying in my bed and I hear that power cutting off I turn round and usually cry and I think about what my life has come to."*

"I've went from a boy who had everything to one who has nothing."

Tenant L, a single parent of an autistic child with special dietary needs described how her income of £244 a fortnight makes it difficult to meet her child's needs:

"My son has special dietary needs but I don't get any help with that. I really need to budget, my son's food is a lot dearer...it's hard. I think he has autism, he has sensory issues and I'm also trying to accommodate that."

We found there were a lot of unseen impacts from being on UC and a low income. Tenant E described how her kids do without:

"It's hard because we hear of people going away on holidays and we can't go on holiday because we can't afford to save money to go and take the children away, so we're just going to have to take them for days out because we can't afford to save up money."

"It's quite depressing 'cause you don't know if you're gonna have the money to get what you need. The kids have been asking about the beach and I know you don't need money to go to the beach but then kids want ice cream when you go to beach and if you haven't got the money to do that it upsets you because you can't even afford to buy your child an Ice cream, you know?"

Tenant A describes the five-week wait:

"That was a bit of a nightmare. Cos you have to wait five weeks, you can apply for an advance, but again you have got to pay that debt back. That loan you borrow at the start to get you through those first five weeks is coming off my benefit."

Tenant H described the length of time he had to wait when he claimed and how it led to rent arrears:

“It took 2/3 months – they were getting a really a bad press at that time and I can't really fault them but unfortunately the rent arrears kicked in then...the delay between first making my claim and having my work capability assessment took 16 weeks, that was a really long delay for me.”

SURVEY OF WHEATLEY TENANTS

We conducted a survey that received 1,150 responses from Wheatley Group tenants in receipt of UC. The findings reinforce the view that the system is flawed, that people are struggling and that a huge swathe of people have experienced detrimental health impacts, in particular with their mental health.

Some of the survey findings include:

- 65% of people disagreed that UC gave them enough money to cover their basic needs. Compared to just under 21% who felt it did.
- 47% felt that UC was neither fair nor helpful, compared to 32.5% who felt that it was.
- 62% felt it did not help them get back into work, despite this being a central aim of UC
- Incredibly, 86% agreed that UC had had an adverse impact on their mental health, including 49% who felt strongly about it. This compares to 5.5% who said being on UC had no effect on their mental health.

CONCLUSION AND RECOMMENDATIONS

We used the survey and interviews to bolster existing research. This offers a unique perspective of the impact of UC on claimants.

We reference in the report much of the large body of research, reports and inquiries into UC, which shows the system is fundamentally flawed. Taken together the collection of voices commentating on UC present an overwhelming case for change.

In interviewing Wheatley tenants, we wanted this research to give voice to the all too often voiceless. Their words are unequivocal about the detrimental impact UC is having on them. The system is driving people into debt, deeper poverty, destitution, and mental illness with many feeling that the system is unfair, punitive and lacks compassion.

Nowhere is this more apparent than within the sanctions regime that has left many with literally nothing to survive on. Reviewing the evidence, it's hard to come to any other conclusion than that this represents punitive state-sponsored cruelty. This is especially true when we consider the impact on children.

The cost of living crisis facing the whole of society is acute, but people on UC and in the lowest income bracket are facing greater and more intensified challenges. A far greater proportion of their income is spent on basic necessities such as food and electricity. Even with an inflation matching increase in UC, people claiming UC are still struggling to meet their basic needs due to the insufficient level of benefit they get in the first place and because energy and food inflation outstrips the overall level of inflation.

The evidence outlined in this report offers a glimpse into the lives of UC claimants. As a society we want all our citizens to have the means to lead a fulfilling life and not just the means to barely survive. People are not just going without the basics that many of us take for granted; they are also experiencing other unseen impacts which are uncovered in this report.

As the survey returns demonstrate, Wheatley Group tenants are facing impossible choices about what bills they choose to pay. Do they heat, eat or pay their rent? What do they do about essentials such as Wi-Fi and broadband and the cost of a phone, which they must have access to in order to engage with UC and fulfil the requirements set out in the claimant commitment and ultimately to ensure they still get paid and avoid sanctions.

What we have found here is an indictment of a welfare system that is not fit for purpose. Any of us could experience mental or physical illness, redundancy, bereavement, unforeseen caring responsibilities and a multitude of other reasons that might leave us unable to work and reliant on the state.

Providing help and assistance to those in need is exactly what a compassionate, caring and civilised society should do. Currently, the state is providing the bare minimum and building into the system a perverse and punitive incentive regime that is much more 'stick than carrot.'

The consequence of all the challenges and difficulties claimants face in their day-to-day existence is impacting on people's mental health. Our research has shown clearly that link. Moreover, the stress and anxiety induced by the system itself can make it more difficult to get into any kind of work. An outcome that contradicts the rationale for introducing UC in the first place.

RECOMMENDATIONS

The recommendations below are directed mainly towards the UK Government. However, we believe that there remains more scope for the Scottish Government to introduce further mitigatory measures to help people in Scotland who are in receipt of UC. The evidence that we have compiled, alongside the multiple reports and evidence gathered from elsewhere, makes clear that the current system of UC is not fit for purpose, in need of abolition and that a fresh approach should be taken.

We do however recognise that for the foreseeable future it is highly unlikely that UC will be abolished and replaced with a much more humane system. In the absence of abolition, fundamental and radical reform is needed if the social security system is to genuinely help and support some of the most vulnerable people in our society. Therefore, we recommend the following reforms.

- The UK Government should increase the level of UC and legacy benefits in line with higher Consumer Price Index annual inflation level for low-income households rather than the lower all households level, and restore the £20 per week uplift
- The UK Government should abolish the two child cap
- The UK Government should end the cruel and punitive sanctions regime
- The UK Government should abolish the five week wait and pay claimants from the start of their claim - in the short term, the DWP should offer

advance payments as non-repayable grants, at the very least for the most vulnerable groups (e.g. using the DWP's own definitions of hardship)

- The UK Government should end the benefit cap
- The UK Government should abolish the bedroom tax
- The UK Government should create much more tailored and focused employment support services that assist and ease people back into work
- The UK Government should change the way that the benefit assessment period is calculated for UC claimants who work, using an average of salary/wage payments over the year to ensure it reflects what people actually earn. Otherwise, those customers who are paid weekly, fortnightly or four weekly, using fixed benefit assessment periods could potentially lose out several times each year
- The UK Government should pause deductions for advance payments and overpayments from the DWP
- The UK Government should raise Local Housing Allowance (LHA) in line with local rent inflation, so that all private renters who need help with their housing costs can find a property within the LHA rate
- The UK Government must abolish 'no recourse to public funds' and other restrictions on claiming benefits because of immigration status
- The UK Government should instruct the DWP to provide a dedicated single point of contact for each individual case and avoid as much as possible inconsistency of message and approach towards claimants
- The UK Government must have a transparent approach to claims with a sickness and disability element and a much quicker turnaround of claims and appeals
- The UK Government must ensure that job seekers are directed only to employers who pay the living wage and do not employ people on zero hour contracts.

The Scottish Government is not responsible for UC. Indeed, the Scottish Government has introduced policies that have sought to mitigate some of the impacts of UC. Nevertheless, the evidence we have compiled in this report has shown clearly that Scots in receipt of UC are still suffering badly and need more help. We therefore, offer the following suggestions as to how the Scottish Government could support people more.

- The Scottish Government could provide a broadband/digital fund to ensure everyone on UC can navigate the digital system and have the resource to pay for broadband and/or hardware
- The Scottish Government could put in place a holiday/social fund that ensures the children of UC claimants can enjoy social interaction, sports clubs, holiday parks etc.

- The Scottish Government could put in place a clothing fund for UC claimants and those on legacy benefits
- The Scottish Government could provide support for transport costs for UC claimants moving back into work
- The Scottish Government could offer discounted/free fares on public transport for people on UC and other benefits (a pilot scheme in the Angus Council area is underway)
- The Scottish Government could abolish peak fares on trains; especially benefiting low paid people in work
- The Scottish Government could legislate for a right to food that places a statutory requirement to ensure that no citizen goes hungry
- The Scottish Government could introduce universal free school meals for all pupils
- The Scottish Government working with RSLs and local authorities could ensure that every one of their tenants has access to affordable home insurance
- The Scottish Government could create a National Anti-Poverty helpline and central point of information so people can find immediate help in their local area for emergency food provision, clothing programs and children's activities etc

