

Fairer for all? The negative and disproportionate impact of Universal Credit on Gypsy and Traveller communities, May 2018

Universal Credit is being introduced across the UK in stages. At the time of writing, rollout across the country is due to be complete in December 2018¹. Research by The Equality and Human Rights Commission found that Universal Credit will on average lead to a reduction of £625 per year in income per household, with “a complex system of winners and losers”. The Equality and Human Rights Commission note, in particular, lack of evidence on the impact of Universal Credit by ethnicity². In this briefing, we will outline the key issues with Universal Credit which mean it is likely to have a negative and disproportionate effect on Gypsy and Traveller communities.

Key Issues

- Gypsies and Travellers were not considered in the 2011 Equality Impact Assessment for the implementation of Universal Credit.
- The move to an online system for Universal Credit has exacerbated barriers to accessing welfare support for Gypsy and Traveller communities, because of low levels of numeracy, literacy and access to the internet.
- “Alternative access routes” which are meant to support people with low levels of numeracy, literacy or no access to the internet are not working.
- Universal Credit will have a negative impact on self-employed people, which constitute 26 per cent of Gypsies and Travellers in England and Wales.

Introduction

The 2011 UK government welfare reform represents a radical change in the way the benefits system is set up and maintained and as such it has been implemented through a staged approach in order to monitor its impact. The government claimed that the new system would not result in a decrease in individual benefits and that the system would be ‘fairer for all’. However, the Equality and Human Rights Commission³ published a report in March 2018 on the cumulative impact of tax and welfare reforms and concluded that those who are most economically vulnerable, are those who have suffered the greatest loss in terms of a reduction in net income;

“...overall, changes to taxes, benefits, tax credits and Universal Credit (UC) announced since 2010 are regressive, however measured – that is, the largest impacts are felt by those with lower incomes. Those in the bottom two deciles will lose, on average, approximately 10% of net income, with much smaller losses for those higher up the income distribution.” (EHRC, 2018: 15).

This indicates that the new system is contributing to the exacerbation of existing inequalities, rather than making the system fairer.

Barriers to setting up and managing claims for Universal Credit for Gypsies and Travellers

We are particularly concerned about the shift to ‘full service’ across the country where claimants will be required to set up and manage their claims entirely online. The 2011 Census identified that Gypsy

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/693928/universal-credit-transition-rollout-schedule.pdf

² <https://www.equalityhumanrights.com/sites/default/files/research-report-111-cumulative-impact-assessment-evidence-review.pdf>

³ Ibid

and Irish Traveller communities had the highest proportion of people with no qualifications for any ethnic group at 60 per cent - considerably higher than for England and Wales as a whole (23 per cent)⁴. This means that a significant proportion of Gypsy and Traveller communities have low or no literacy – at Friends, Families and Travellers, 45% of our service users have low or no literacy. Further to this, limited access to internet is recognised as a barrier to accessing benefits for Gypsies and Travellers⁵. Therefore, we question whether serious consideration has been given to the impact of an online benefits system on Gypsies and Travellers.

Lack of consideration of impact of Universal Credit on Gypsy and Traveller communities

The Equality Impact Assessment carried out in 2011 by the UK government regarding UC gave no specific consideration to Gypsies and Travellers as a protected ethnic group under the Equality Act 2010. There was however, a section for ethnic groups in general in which the document concluded that there is no real evidence to suggest that there are significant differences in internet usage between ethnic groups. Nevertheless the document outlines a mitigation strategy;

“The Department for Work and Pensions recognises that there will continue to be a minority of people who cannot use online channels. For these people we will offer alternative access routes, predominantly by phone but also face to face for those who really need it. We expect these alternative access routes to be reserved for the minority who can’t use, or be helped to use, online services and therefore kept to a minimum.”

It remains unclear from this statement how decisions are made regarding who will be given the option of alternative channels because ‘those who really need it’ is a highly ambiguous term. Although numerous government documents state that there will be alternative ‘channels’ available for those who need it to access Universal Credit⁶⁷, we have yet to see any cases in which this has been provided.

Case Study: Universal Credit Helpline

Friends, Families and Travellers operate an advocacy and support helpline for Gypsy and Traveller communities across the UK. One of our case worker team was advocating on behalf of a Gypsy client who could not read or write and had no access to internet. The caseworker sought advice from the Universal Credit helpline about alternatives for the client and were advised that under no circumstances could claims be set up and managed via any other route than the internet.

Extra funding has been provided to third sector organisations to give support for the initial stages of implementation. However, there is no guarantee that these organisations will have the capacity to provide the level of ongoing support required for those with low literacy to manage a Universal Credit account. Claimants must log on every day to their online diary in order to evidence their job search activity. Depending on the individual work plan, claimants can be required to evidence up to 35 hours of activity per week. For many of our clients this would mean travelling every day to a Job Centre to use the internet facilities, requiring one to one support with literacy.

⁴<https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/ethnicity/articles/whatdoesthe2011censustellusaboutthecharacteristicsofgypsyorishtravellersinenglandandwales/2014-01-21#qualifications>

⁵ <https://www.gypsy-traveller.org/wp-content/uploads/2018/05/CBP-8083-9-1.pdf>

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48897/universal-credit-full-document.pdf

⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220152/eia-universal-credit-wr2011.pdf

If a person is unable to meet requirements under Universal Credit they will receive a sanction. For example if a claimant was unable to meet 'work search' requirements because they could not access support with literacy in using the Universal Credit system, they may face sanctions which would mean payments would stop for a fixed term until they comply. It can be seen how this system can contribute to the exacerbation financial struggle for those individuals resulting in debt, emotional distress, and possible homelessness.

Lack of consideration of high levels of self-employment in Gypsy and Traveller communities

"I'm currently receiving Working Tax Credits and am terrified of the Universal Credit roll out. Both me and my husband get paid sporadically, so some months we aren't paid at all and others we earn several months money in one go, it all depends when contracts are paid and how long they have been. We are both self-employed plus I am disabled. Universal Credit is going to make us significantly worse off as it currently is assessed."

Holly, Traveller

According to the 2011 Census, Gypsy and Traveller communities have the highest proportion of self-employed people out of all ethnic groups (26 per cent compared to 14 per cent for England and Wales). To demonstrate that they are "gainfully self-employed", people must show that the work they do is regular, organised and developed. This can be demonstrated through receipts, a business plan, copies of invoices, trading accounts from the previous year and proof of registration as self-employed with the HMRC⁸. If someone is unable to show enough evidence, the assessor might decide they're not gainfully self-employed⁹. Under Universal Credit, self-employed people will face in-work benefit cuts if they do not meet the 'Minimum Income Floor', which requires them to earn the equivalent of 35 hours a week at the National Minimum Wage¹⁰.

There has been no evaluation of the impact this will have on Gypsy and Traveller communities, but it is clear that it is likely to be negative. Due to low levels of literacy and numeracy in Gypsy and Traveller communities, many of those who meet the 'Minimum Income Floor' to qualify as 'gainfully self-employed' are likely to struggle with gather the evidence required to demonstrate this. The message is loud and clear for many self-employed people, they will be 'better off jobless'¹¹.

Key Recommendations

- The Department for Work and Pensions should undertake an equality impact assessment on the impact of Universal Credit on Gypsy and Traveller communities and take actions to mitigate issues identified.
- The Department for Work and Pensions should ensure that 'alternative access routes' are established for people with low literacy, low numeracy and limited access to internet as a matter of urgency.
- The Department for Work and Pensions should establish national guidelines for front line workers to exercise discretion in designing work requirements for self-employed people.

⁸ <https://www.moneyadvice.service.org.uk/en/articles/universal-credit-for-the-self-employed>

⁹ Ibid

¹⁰ <https://www.tuc.org.uk/blogs/self-employment-compatible-universal-credit>

¹¹ https://www.huffingtonpost.co.uk/entry/self-employed-universal-credit_uk_59f1f8d5e4b077d8dfc7dce8



- The Department for Work and Pensions should ensure that sanctions are not imposed on people who cannot meet Universal Credit requirements due to low literacy, low numeracy and limited access to internet.
- The Department for Work and Pensions should review the impact of Universal Credit on self-employed people, in particular the impact on self-employed Gypsies and Travellers.

Conclusion

It is clear that Universal Credit has a negative and disproportionate impact on Gypsy and Traveller communities, resulting in indirect discrimination and a potential breach of the Equality Act 2010 and the Public Sector Equality Duty. The lack of consideration of Gypsies and Travellers in the rollout of Universal Credit can and will have a major impact in the lives of those that the British welfare system seeks to protect; our society's most vulnerable groups. If urgent and decisive action is not taken, Universal Credit will have a major impact on the lives of men, women and children, pushing hard working families deeper into poverty.

About us

[Friends, Families and Travellers](#) is a leading national charity that works on behalf of all Gypsies, Roma and Travellers regardless of ethnicity, culture or background. Friends, Families and Travellers are members of the [VCSE Health and Wellbeing Alliance](#) and act as Secretariat to the [APPG for Gypsies, Travellers and Roma](#).