

Charte sociale européenne



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# EUROPEAN SOCIAL CHARTER

Comments submitted by the Human Rights Watch concerning the Ad hoc report on the cost-of-living crisis submitted by THE GOVERNMENT OF THE UNITED KINGDOM

Report registered by the Secretariat

On 16 July 2024

**CYCLE 2024** 



### Human Rights Watch Submission to the European Committee of Social Rights Comments on the *ad hoc* report of the United Kingdom (RAP/Cha/GBP/2023, December 19, 2023) July 2024

#### Introduction

- Human Rights Watch submits the following observations in respect of the United Kingdom (UK) government's *ad hoc* report on the cost-of-living crisis (RAP/Cha/GBP/2023, December 19, 2023), produced in response to the list of questions set out by the European Committee of Social Rights (the Committee) under the powers granted by the Ministers Deputies' decision of September 27, 2022 (CM(2022)114-final, paragraph 9).
- 2. Human Rights Watch is an independent non-governmental organization that monitors and reports on compliance with international human rights law in around 100 countries around the world. Human Rights Watch has <u>participatory status</u> at the Council of Europe under <u>Resolution CM/Res(2016)3</u>.
- 3. In recent years, we have dedicated considerable attention to documenting gaps in economic and social rights in the <u>United Kingdom</u>, including in relation to the right to food and cuts to social security during the establishment of the flagship Universal Credit program; the impact of the Covid-19 pandemic on the right to education for all children and access to free school meals for children from low-income families; harms caused by the use of algorithms in social security benefit calculations under Universal Credit; the ongoing misuse of so-called "temporary accommodation" and increasing *de facto* homelessness; and the provision of age-based social care.<sup>1</sup> We have also made multiple interventions on the inadequacy of social security benefits, including in the context of the economic slowdown precipitated by state responses to the Covid-19 pandemic, and, more recently, the cost-of-living crisis.<sup>2</sup>
- 4. This submission is limited to addressing a small, discrete number of points raised in the UK's *ad hoc* report, where further scrutiny by the Committee may be beneficial.
- 5. In response to **question 4 on the cost-of-living crisis and extension of in-work benefits,** the UK government draws attention to its November 2021 decision to increase a work allowance

<sup>&</sup>lt;sup>1</sup> See <u>https://www.hrw.org/report/2019/05/20/nothing-left-cupboards/austerity-welfare-cuts-and-right-food-uk; https://www.hrw.org/news/2020/05/28/uk-children-england-going-hungry-schools-shut; https://www.hrw.org/news/2021/05/17/pandemics-dire-global-impact-education; https://www.hrw.org/news/2020/09/29/uk-automated-benefits-system-failing-people-need; https://www.hrw.org/report/2022/01/17/i-want-us-live-humans-again/families-temporary-accommodationlondon-uk; https://www.hrw.org/report/2023/09/14/i-felt-so-stuck/inadequate-housing-and-social-supportfamilies-seeking-asylum; and https://www.hrw.org/report/2019/01/10/unmet-needs/improper-social-careassessments-older-people-england.</u>

<sup>&</sup>lt;sup>2</sup> <u>https://www.hrw.org/news/2021/09/03/human-rights-watch-letter-uk-parliamentarians-regarding-impending-cut-social</u> and <u>https://www.hrw.org/news/2023/09/29/joint-ngo-statement-guarantee-our-essentials-campaign</u>.

by £500 per year, and to reduce the 'taper rate' of Universal Credit from 63 percent to 55 percent.<sup>3</sup> The taper rate is a means testing rule of Universal Credit which reduces social security benefit payments by a set percentage of every pound earned from paid work.

- 6. When seen on their own, out of context, the policy changes arising from the November 2021 decision provided for a significant increase of one aspect of in-work benefits. The decision, however, masked the reality of a significant real-terms cut to Universal Credit that preceded it by a month, and was likely to not help those in the lowest earning brackets as much as others.
  - a. In October 2021, the UK government cut Universal Credit by £1,040 per year (ending the £20 per week increase or "uplift" in place since April 2020 to address the economic impact of the Covid-19 pandemic), in what <u>experts at the Joseph Rowntree Foundation called</u> the "biggest overnight cut to the basic rate of social security since World War II."<sup>4</sup> The move was not in keeping with the principle of non-retrogression.
  - b. By changing the taper rate and work allowance the government hoped to offset the sudden £1,040 per year income drop for households receiving Universal Credit. However, analysis by the <u>Resolution Foundation</u>, estimated that the policy change would benefit families with higher earnings among those in lower income brackets, but negatively impact income for those on the lowest incomes in the same brackets. Their assessment was that 3.6 million Universal Credit recipients would see their income fall when taken together with the end of the "uplift" and the changes to the taper rate.<sup>5</sup>
  - c. <u>Analysis</u> by the House of Commons Library based on a model of a single-parent one-child household, showed that the households earning less than £18,200 from work and households which did not receive income from work, were worse off following the introduction of both changes.<sup>6</sup>
- 7. In response to **question 6 on how social security benefits are indexed to cost of living**, the UK government states:

"Social security and social assistance benefits in the UK are uprated and adjusted annually to reflect changes in the cost of living.

The Secretary of State for the Department for Work and Pensions is required by law to review benefit and pension rates each year to see if they have retained their value in relation to the general level of prices or earnings." (page 15)

8. The response, while formally true, does not account for the fact that as a matter of law, social security benefit levels and tax credit levels were frozen for four years between 2016 and

<sup>&</sup>lt;sup>3</sup> See <u>https://commonslibrary.parliament.uk/reducing-the-universal-credit-taper-rate-and-the-effect-on-incomes/; and https://www.hrw.org/report/2020/09/29/automated-hardship/how-tech-driven-overhaul-uks-social-security-system-worsens.</u>

<sup>&</sup>lt;sup>4</sup> See <u>https://www.hrw.org/news/2021/09/03/human-rights-watch-letter-uk-parliamentarians-regarding-impending-cut-social;</u> and <u>https://www.jrf.org.uk/news/uk-heading-for-the-biggest-overnight-cut-to-the-basic-rate-of-social-security-since-world-war</u>.

<sup>&</sup>lt;sup>5</sup> <u>https://www.resolutionfoundation.org/app/uploads/2021/11/Taper-cut.pdf</u>

<sup>&</sup>lt;sup>6</sup> <u>https://commonslibrary.parliament.uk/reducing-the-universal-credit-taper-rate-and-the-effect-on-incomes/</u>

2020.<sup>7</sup> The nominal increase of 10.1 percent (indexed to inflation) in statutory benefit payments in 2023 (as well as more modest increases in 2022 and 2021), which the government alludes to, does not make up for the four prior cumulative years of frozen benefit rates, as is evident from Department for Work and Pensions data.<sup>8</sup> Official data, excerpted in the annexed table, show clearly that, partly as a result of the benefit freeze from 2016-20 and despite the 2020-21 pandemic-linked "uplift" and its subsequent removal and the 10.1% increase, the real value of Universal Credit fell from 2015 to 2022 for every category of recipient that UK government data sets out.

- 9. The inadequacy of levels of social security support under Universal Credit, and their falling real value in relation to meeting living costs, are a longstanding matter of concern and the central issue for a national campaign. Human Rights Watch, along with a number of other leading human rights organizations in the UK, supports the <u>Essentials Guarantee campaign</u> coordinated by the Joseph Rowntree Foundation and the Trussell Trust, the UK's largest food bank network.<sup>9</sup> The campaign calls for an independent assessment of the adequacy of social security benefits, guaranteed by law.
- 10. In response to **question 9 on the steps taken to combat poverty under Article 30 of the Charter by diminishing reliance on last-resort relief** such as emergency food aid, the UK government makes reference in its response to a £76 million package of funding for organizations that provide at least one or more forms of emergency relief such as food, shelter or warmth. Human Rights Watch observes that while such grants are likely to be important to address emergency needs, the government's response does not address diminishing reliance on last-resort relief and instead emphasizes its funding of last-resort relief.
- 11. By contrast, the devolved administration in Scotland's response highlights support provided through Cash First programs, which aim to provide cash transfers in situations of urgent need in order to transition away from a reliance on foodbanks, while making systems changes to the social security system.<sup>10</sup> Cash First programs across the UK have largely been pioneered by the Independent Food Aid Network, in coordination with regional governments, as in the case of Scotland, and local authorities willing to pilot such initiatives.
- 12. In response to **question 10 on consultation with and participation of persons most affected by the cost-of-living crisis,** the UK government makes reference to "a quarterly stakeholder forum chaired by a senior official (from the Department of Work and Pensions and having a membership of over 10 cost of living and poverty charitable stakeholders, including Amnesty UK and UNICEF UK" (page 30). Human Rights Watch has checked with Amnesty UK and confirms that the latter does not participate in any such quarterly stakeholder meetings, and encourages the Committee to seek clarification about the composition of this stakeholder forum from the UK government. We are not aware of any of the UK's main human rights organizations doing so either.

<sup>&</sup>lt;sup>7</sup> <u>https://www.legislation.gov.uk/ukpga/2016/7/contents</u>, S. 11 and S. 12; and <u>https://commonslibrary.parliament.uk/research-briefings/cdp-2018-0072/</u>.

<sup>&</sup>lt;sup>8</sup> <u>https://www.gov.uk/government/statistics/abstract-of-dwp-benefit-rate-statistics-2023</u>, tables 5, 15-18.

<sup>&</sup>lt;sup>9</sup> See <u>https://www.hrw.org/news/2023/09/29/joint-ngo-statement-guarantee-our-essentials-campaign</u> and <u>https://www.jrf.org.uk/social-security/guarantee-our-essentials-reforming-universal-credit-to-ensure-we-can-all-afford-the</u>.

<sup>&</sup>lt;sup>10</sup> See <u>https://www.foodaidnetwork.org.uk/why-cash-first;</u> and <u>https://www.gov.scot/publications/cash-first-towards-ending-need-food-banks-scotland/pages/4/</u>.

- 13. We hope the responses above are of use to the Committee's deliberations, and we welcome the opportunity to feed into future exercises to ensure improved human rights protections in the United Kingdom, and greater profile for examination of the United Kingdom's record on and approach to social rights.
- 14. We also encourage the Committee to engage in pro-active outreach to civil society groups to invite response in response to future *ad hoc* reports, given how new the reporting process is and the lack of familiarity with it among many in domestic civil society and international NGOs. We are happy to help facilitate such contact if useful.

#### Contact details and publication

15. For further information regarding this submission, please contact Kartik Raj, Senior Researcher, Europe and Central Asia Division. Human Rights Watch has no objection to the European Committee of Social Rights publishing this response as part of the *ad hoc* reporting process, but request that the Committee remove this final paragraph including contact details for our staff prior to publication, in the event the Committee chooses to publish responses received in full.

#### Annex

## Data excerpted from Abstract of DWP benefit rate statistics 2023<sup>11</sup>

	Universal Credit at April 2023 prices (in GBP/£)							
Date of Uprating	For a single person under 25		For a single person aged 25 or over		For a couple (both under 25)		For a couple (one or both aged 25 or over)	
	Rate of	Average real	Rate of	Average real	Rate of	Average real	Rate of	Average real
	Universal	CPI value of	Universal	CPI value of	Universal	CPI value of	Universal	CPI value of
	Credit	UC over	Credit	UC over	Credit	UC over	Credit	UC over
	£/month	period the	£/month	period the	£/month	period the	£/month	period the
		rate was		rate was		rate was		rate was
		applied		applied		applied		applied
April 2015	251.77	328.01	317.82	414.06	395.20	514.87	498.89	649.96
April 2016	251.77	324.44	317.82	409.56	395.20	509.27	498.89	642.89
April 2017	251.77	315.53	317.82	398.31	395.20	495.28	498.89	625.23
April 2018	251.77	308.56	317.82	389.51	395.20	484.34	498.89	611.42
April 2019	251.77	303.31	317.82	382.88	395.20	476.10	498.89	601.02
April 2020 announced rate	256.05	306.53	323.22	386.94	401.92	481.16	507.37	607.40
April 2020 with pandemic								
increase	342.72	410.29	409.89	490.70	488.59	584.92	594.04	711.16
April 2021 with pandemic								
increase	344.00	396.09	411.51	473.83	490.60	564.89	596.58	686.92
From October 2021								
uprating	257.33	296.30	324.84	374.03	403.93	465.10	509.91	587.13
April 2022	265.31	277.64	334.91	350.48	416.45	435.81	525.72	550.15
		[Not		[Not		[Not		[Not
April 2023	292.11	Available]	368.74	Available]	458.51	Available]	578.82	Available]

<sup>&</sup>lt;sup>11</sup> <u>https://www.legislation.gov.uk/ukpga/2016/7/contents</u>, tables 15-18.