



### What's Not Working?

By

Eleanor Smith

Housing & Welfare Advice Worker

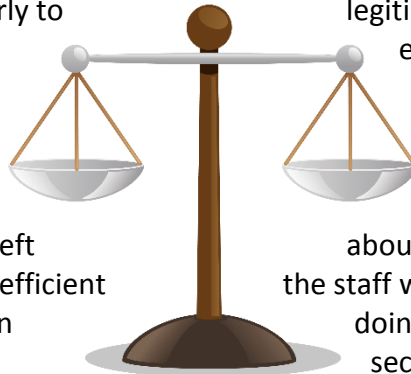


*"We are resolved to be cheated no longer... The earth was made for us as well as you"*

George Winstanley, 1649

Recently, I had a meeting with one of our clients that made me think of the role of precarious work in the stories of the people who use our centre and the worlds that they inhabit.

I was helping one of our Eastern European clients, Lukas\*, to complete paperwork he needed to start working at an employment agency, which included completing a detailed and fully evidenced employment history. Lukas had been working in the UK for the last two years, in a car wash. However, this had been cash in hand work where the employer had kept the tax he was supposed to be paying for Lukas – tax which would have increased Lukas' rights to claim benefits during periods of sickness or incapacity, and would have helped him to evidence his lawful stay in the UK as part of any applications for residency. Lukas had worked hard for two years but was unable to evidence this properly to legitimate employers – meaning he was essentially stuck in badly paid, unscrupulous people, which would also ensure he remained stuck in precarious housing situations, relying on the charity of others to live. I became especially struck when I looked up the car wash on the internet in order to make sure the address was correct for Lukas' paperwork and started to read the reviews people had left about it. They were all very positive, with people commenting on how polite and efficient the staff were, and also how reasonable the price was. I thought, the staff here have been doing a good job, but they have still not been provided with the means to live a secure and decent life. And also, that the customers at the car wash were very happy to get a good, cheap service, but less happy to wonder *why* it was so cheap.



We frequently see working clients at the Manna Centre – it is not unusual to see 'Deliveroo' and 'Uber Eats' uniforms mingled among the crowds of people queuing for food. Statistically, 60% of people living in poverty live in a household where at least one person is in work\*\*. We are now living in a strange world where working people are forced to supplement their income with soup kitchens and food banks. This is mirrored by an increasing public concern and awareness of what gets called the 'gig economy' – a phrase coined to describe increasing insecurity and short termism in the labour market.

The gig economy typically involves practices such as workers being given 'self-employed' or contractor status, despite the work being low paid. Traditionally, self-employed people and contractors would take a higher rate than employees, to compensate for the lack of paid holidays, sickness pay etc. Another phenomenon associated with the gig economy is the rising use of zero hour contracts.

Zero hour contracts are where the employer does not offer a guaranteed number of hours to a worker, so how much work they get can vary week to week. Proponents of this practice say workers can choose how much they work, so can tailor their job around their studies or childcare. However, workers can only choose from what is offered – some weeks they may get offered no work at all, whether that's what they need or not.

Some of our clients are finding that this type of insecure work is the only type they can get as this is increasingly the form that low skilled and entry level work is taking. From our perspective as housing advisers, it is extremely difficult to convince housing providers to take people on who cannot guarantee their income, and therefore their ability to pay rent, week to week.

A way of working which was only ever good for students, people who could rely on their partners or parents, people looking to top up an existing income and anyone else not entirely dependent on their zero-hour contract job has now become the only option for many, many people trying to make a dignified life for themselves. This means no sickness pay, no holiday, less protection from unfair practices, no security and limited access to housing. It means being stuck.

Why is this happening? Clearly in Lukas case, what his employer was doing was unlawful. But in the case of clients trapped in the economy, the practices are perfectly legal. the attractive prospect of national insurance number of other associated with taking on employees, which are possible when classifying workers as contractors. If work is no longer a route out of poverty, then where do people turn? We must make a case for a properly regulated labour market that allows people to build lives of dignity and independence.

**We must make a case for a properly regulated labour market that allows people to build lives of dignity and independence.**

insecure work of the gig carried out by their employers Employers are incentivised by being able to avoid paying contributions and also a burdensome liabilities

\* Not his real name

\*\* <https://www.theguardian.com/society/2017/may/22/record-britons-in-work-poverty-families-study-private-rented-housing>

## **Company giving**

**By**

**Bandi Mbubi**

**Manna Centre Director**



In the past few months, I've been struck by the number of invitations we've received to speak at events organised by private companies. The succession of these events has led me to reflect on the contribution private companies make to our work. Being a Christian organisation, what's often highlighted is the support we've enjoyed over the years from the Christian community. Undoubtedly, churches are the backbone of our support. Just to illustrate my point, from the very beginning, the Archdiocese of Southwark (R.C.) has provided us with the building from which we operate, free of charge. Without such help, we wouldn't be able to offer the services we provide to our clients. Although by comparison companies only give us 6% in cash and churches 13%, it's a significant contribution. So let's acknowledge it and thank them for it. There are of course other categories of donors who support us, like Southwark Council who give us about 13% of our money, trusts 28% and individual donors 40%, but the focus in this article is the contribution of the corporate world into our work.

Whilst it's clear why churches support charitable organisations, given their tenet to be charitable, it's unclear what motivates private companies to do so. After all, their tenet is to maximise profit, not to be charitable. It's perhaps for this reason that some people accuse private companies to have an ulterior motive when they support good causes. Critics claim that private companies ostensibly appear to be charitable when it's really for self-promotion, it's really for attracting good publicity and building a good reputation, which ultimately contribute to profit them.

Are profit and charity always mutually exclusive? They can be, but not necessarily. They can coexist. Just like people, even the most charitable ones, what motivates us may not be charity alone, there may also be other self-interests at play. Indeed, the way churches sometimes act may resemble private companies, when for instance it comes to preserving their reputation and promoting themselves, traits which are characteristic of

private companies. But we all feel that a church stops being a church when the overriding principle stops being charity. The same is indeed true of a company, if it stops making profit it's no longer viable and it's doomed to fail.

The idea that companies ought to take into consideration societal problems, not just be focused on making money is a recurring theme. In fact some refer to it with the catchy name of corporate social responsibility, CSR. What it exactly means varies from company to company. Some go to great length to assess how their business adversely impact society and how they can redress it, others limit themselves to token acts which may make them look good, but don't really contribute to any social goods. CSR can be loosely or seriously applied, ranging from sending staff to volunteer a couple days per year, without really taking much interest in what they do, to reviewing whole company operations to maximise social goods and profit; some of it may just be giving back to society. In recent times, CSR permeates the corporate world and this thinking motivates some companies who get involved with us.

We're fortunate that the companies who have ended up working with us are committed for the long term which makes their involvement easier to plan and therefore brings greater return. We've had Company staff doing sponsored runs in support of our work. This year alone, at least 20 people have participated in running races on our behalf.

We also value their contribution in running our computer sessions for our clients two days out of five per week. Some of them even cover for volunteers who go on holidays. They bring solid IT skills and a positive attitude which for us is the perfect fit. Together we're planning to produce some training materials around issues affecting our service-users to help them address them. It's too early to say how this will pan out, but I'm glad we've got committed volunteers willing to lend us a hand in this area.

Of course, we always need to be careful about getting assistance from companies whose ethos goes against our values. For instance companies who sell arms, alcohol, cigarettes or pornography. But by and large, they tend to keep away from us. So it isn't a challenge we face.

In a way CSR isn't new to us. For years, a local bakery donated bread to us free of charge for our service users, inspiring Nannette Ffrench, our founder, to name our daycentre the Manna Centre. You can find the moving story which she tells on our website, in the 'About Us' section, under Our History. She doesn't call it CSR, but it truly is at its best. So if you're a company wanting to contribute to society and what we do, come along and join us, let's make this work!

**Would you like to support our work by sponsoring a runner or a climber?**

A group of Royal Bank of Canada employees who completed The Three Peaks Challenge 2018 between the 8th & 10th June on our behalf?

One of the 30 people who have chosen to do the British 10K run in central London on 15th July on our behalf?

You can do so by going to the 'How you can help' tag on our website and click on 'Sponsor a runner or climber' or by sending us a cheque (address in the right hand box opposite).

**Whoever you choose to sponsor or however you choose to support our work please be assured of our thanks.**

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# Universal Credit – What's going on?

By

**Margaret Shapland**

**Housing and Welfare Advice Worker**



Universal Credit has been in the news a lot recently – so it seemed timely to perhaps look into some of the measures which are impacting on both vulnerable people and those who are striving to get on.

It is estimated that by 2022, nearly 7 million people will be in receipt of Universal Credit as a benefit. We, in Southwark, are a full service Universal Credit borough – so we have had the full experience, so to speak. Firstly, it is a worrying thing when organisations such as the Trussell Trust (the largest food bank provider) reports that in areas where the implementation of Universal Credit is most advanced, demand for food parcels increased by 30%. It says a lot about the impact of the change.

## **Length of time shortened for receipt of 1<sup>st</sup> Universal Credit payment -**

One of the key issues which arose with Universal Credit was the length of time that clients had to wait to access their first payment – indeed much has been made of this in the media as the official turnaround time was 6 weeks, but in 20% of cases, the delay was much longer according to figures reported by the Citizen's Advice Bureau in September 2017.

In the Budget statement, the Chancellor after intense pressure from backbenchers cut the waiting time from six to five weeks. So, what impact does it have on our Advice service on a day to day basis?

Well, the assumption is made by the DWP that clients will have a month's wages with which to support themselves until the payment is made. Quite simply for many of our clients, that is not the case. They are paid weekly or fortnightly (only about 50% of low earning individuals receive a monthly wage according to national statistics) and frequently their salaries are eaten up by their living costs and by the time we get to see them, often they have used all their funds and whatever savings they had to keep a roof over their heads until that became untenable.

## **Is there any short-term help?**

Of course, there is the benefit advance payment that clients can apply for whilst waiting for a claim to be processed. But once again, clients have to jump the hurdle of lack of information – again, research by the CAB highlighted that 40% of the new claimants they had seen did not know about this option and the maximum that can be provided is 50% of what might be expected.

The impact on us is that the amount of grant funding applications we make on behalf of clients has increased from 14.8% of all activity in supporting clients to 31% in the current fiscal year just ended.

Why? In the short term, we have to support clients who have lost their home and can expect no Universal Credit payment for some weeks – it is also the case that not everyone who might apply for benefit advance will be granted funds. Our initial aim is always to try and find temporary accommodation but that is not on our door-step. If the client has no means of travel to and from a shelter, then we may have to support them with travel costs – so we have to apply for grants. Also people are trying to find work and they need to travel to get to interviews, so need to be funded to meet their claimant obligations under Universal Credit.

## **In debt before you know it**

Getting an advance can be really helpful but it introduces the spectre of debt. For people with a new claim or a change of circumstance, then repayments are usually scheduled over a 6 month period. As soon as people receive their first payment, if they have had an advance then they start paying it back which normally reduces their payment by 15% if there is no earned income and 25% if there is earned income. That said, looking at DWP Universal Credit guidance published in 2015, it is documented that 40% of the award can be recovered (CPAG website – Universal Credit advances).

This can occur where the DWP suspects fraud or deception. We'd strongly recommend that anyone who has been told by the DWP that the repayment of an advance is above 15% or 25% of their award is going to be taken back in prepayments should seek to challenge that decision.

### **Universal Credit & the self-employed**

About 4.8 million people were self-employed in 2017 according to figures published by the Office of National Statistics.

It is wonderful that people can pursue their dreams of working for themselves and organising their lives to achieve that elusive work-life balance. Among our clients, we have many self-employed – on construction sites, working as couriers etc. Policy in Practice have estimated that 78% of self-employed individuals will be £4,000 a year worse off due to the practice under Universal Credit of something called the “minimum income floor”.

This does not affect people in the first year of business but after that, the MIF is used to calculate universal credit payments each month. It is based on the national minimum wage based on the age band that the client falls into. Because self-employed workers' earnings fluctuate from month to month, they sometimes fail to meet the minimum figure and lose out compared with salaried counterparts. A monthly deduction will be taken from their payment, calculated as a multiple of the hourly minimum wage, which is taken no matter how many hours have actually been worked, or how much money has been made. We know from experience that many of those we see who are in the “gig” economy who earn less than the national minimum wage are going to be affected when you look at what their payments are overall. The problem is that the design of Universal Credit tends to treat people as employees with an expectation of a regular monthly income which is just impracticable for many of our self-employed clients.

In addition, it can also present some potential problems for those following this route.

- a) Because the 'start-up' period is set at 12 months, where a business takes longer than 12 months to become profitable, the MIF will distort its results, particularly when combined with the prohibition on carrying forward losses from one assessment period to the next.
- b) The deduction of a notional amount of tax and NI each month to arrive at the MIF conflicts with the fact that tax on self-employed earnings is actually paid twice a year – it is certainly an example of where the individual is treated like an employee
- c) The MIF does not take account of pension contributions, so a low income self-employed person will not get a full deduction of pension contributions in some cases as their employed counterparts will.
- d) No account is taken of a month in which an annual or one-off debt/bill was paid (such as an insurance premium) and deducted from one month's trading receipts

Organisations such as the Low income tax Reform Group ( an initiative of the Chartered Institute of taxation are suggesting that self-employed claimants with fluctuating income should be able to average their income over a period of up to a year – a proposal that seems eminently reasonable. It also demands changes to the calculation of the MIF and an increase in the start-up period from one to two years – again this provides a degree of latitude allowing people to build up a business without the quite considerable pressure that the current arrangement allows for

### **And, if you are disabled .....**

Currently, there is a hidden cut within UC for disabled people due to the abolition of both the severe disability premium (SDP) and enhanced disability premium (EDP). As a result, according to Scope, a disability charity the move to UC could see claimants lose as much as £395 a month.

On 1<sup>st</sup> May, Leigh Day – Solicitors are seeking a judicial review of Universal Credit on behalf of two clients, one of whom is a terminally ill man, who was living alone, without a carer and received the severe disability premium and enhanced disability premium alongside Employment and Support Allowance. Once he was

ported over to Universal Credit, these premiums were cut. They were being used to pay for taxis for doctor's appointments, food and bills. It represents about £180 a month to the person in question.

The DWP says that says the Severe Disability Premium is not part of UC and that it should be covered by the Disability Living Allowance or Personal Independence Payment as well as through social care from local authorities. Those who qualify for the Enhanced Disability Premium will receive an extra £90 under UC.

The solicitor representing this client gave a very graphic explanation of the impact on this client

*"One of my clients is... undergoing gruelling chemotherapy treatment whilst battling with the DWP. He should be focussing on his health but he is beside himself with worry about money. He is unable to afford basic necessities, he is becoming more isolated socially and he is living in increasingly unhygienic conditions because he doesn't have enough money to engage a weekly cleaner. "These are the most vulnerable people in our society whom the state should be protecting,"*

We await the outcome with interest but it could have widespread ramifications for 230,000 or so disabled people who it is estimated will be hit by the removal of disability premiums under UC.

Universal Credit started out with good intentions but the design, the fact that much has been hollowed out of the Universal Credit package by increasing cuts, our personal experience of how hard it is to get a satisfactory answer for clients when you call up with a query – either staff are not well-trained enough to give you an immediate answer, it needs to be referred by email to the benefit decision-maker or policy is moving so fast, it seems as if it is being made up "on the hoof" or interpreted make it a difficult benefit to negotiate for many clients.

Gerald Ford, ex-US President once said: *"History and experience tell us that moral progress comes not in comfortable and complacent times, but out of trial and confusion"* Let's hope that moral progress prevails!

## **Rethinking progress**

**By**

**Karolina Muszynska**

**Housing & Welfare Advice Worker**



*"The idea of the infinite economic growth has become the biggest threat to life itself. Yet that absurd idea goes unchallenged by the majority of people living today"*

Chris Agnos

I started to work as a welfare advisor almost 10 years ago and I must admit the character of my work has changed enormously during those 10 years. Before I joined Manna Centre I was volunteering for Citizen Advice Bureau in Hackney, helping local people to resolve their problems. A big part of my work there was assisting customers to make benefit claims and to advocate on their behalf.

Benefit claims were made on paper at that time, then posted or dropped off at the local Jobcentre. When we had to call to chase the progress of the claim or discuss the claim, we were actually able to speak with someone from the processing centre and get it resolved often on the same day. It is so different nowadays and in some ways I think it was easier back then than it is today, when many benefits are claimed online. In the future, if nothing changes and Universal credit reforms succeeds, only a very small group of claimants, in exceptional circumstances, will be allowed to apply over the phone.

Also advocating over the phone is much less effective. We are no longer able to speak directly with a processing centre, instead we have to call helpline that deals only with simple benefits enquiries (e.g. date of the next payment, change of circumstances etc.). If the issue is more complicated they would email the benefit processing centre and request a call back within 3 hours. Although this seems fair enough the DWP will only make 3 attempts to contact you and they will call you from a withheld number. If you miss their call, you will have to go again through the same process: spending on average 20 minutes listening to their on-hold Vivaldi music before you can explain the same issue to another helpline advisor. To get things resolved can be a very lengthy and frustrating process for our clients and they often express that they feel like they are

begging. Although this system was created to be more effective, in practise it has become exactly the opposite. It makes people feel small instead of empowering them.

Digitalising claims also excludes a lot of people from being able to manage their claims without support. Many of them would be perfectly fine managing on their own if they were only provided with the possibility of face-to-face contact. Being able to manage our own affairs independently makes us more confident. Having to rely on someone may make us feel excluded.

What is very concerning to me is that there is no personal responsibility on the organisation side, at least from the claimant's perspective; as a claimant you are not allowed to have a direct number to call back the DWP worker, each time when you call the helpline you get connected to a different person. I can perfectly understand the reasons behind not disclosing direct line numbers to customers but I think that the rule of trying to contact the client "three times within next three hours" is restricting and unfair.

Recently I made a request for a mandatory reconsideration of the Universal Credit (UC) overpayment decision for one of our clients. I had to submit it through the client's Universal Credit online account. After almost two months, I received a negative decision that contained an obvious error made by the DWP assessor. I wanted to get in touch with them to clarify this but the letter only contained a general benefit enquiry number and a suggestion to contact them through the UC online journal, which I did a month ago. I have chased it twice already and I have yet to receive an acknowledgement. If we haven't received a response by the end of the week, we will have to escalate it and it seems such an unnecessary waste of time for all parties concerned. This issue has been unresolved for months now despite many online contacts between the claimant and the DWP. This is one of those cases that could be quickly resolved if we could actually talk to someone.

All these technical improvements have been introduced in good faith, to make the process more efficient and more cost effective. However, it feels like their potential impact on those less vulnerable have not been taken into account and the rules completely lack flexibility to allow for people who have a wide range of support needs. We do need to redefine what it means to be economical. Human history has shown many times that if something is economical and inhuman at the same time, in the long run it will cost society more.

## **Manna Society AGM invitation**

*Please come along to our Annual General Meeting  
On  
Wednesday 26<sup>th</sup> September at 7.00pm  
At  
The Manna Centre, 12 Melior Street, London SE1. 3QP*



## **MOST NEEDED ITEMS**

As we have used the bulk of our Harvest Festival donations from last year there are now quite a number of things we need to see us through to this year's Harvest.

We are in need of the following:

### **FOOD:**

- Sugar
- Powdered milk
- Tinned Tomatoes
- Rice
- Coffee
- Tins of ham
- Corned beef
- Tinned meat for soup
- Hot dogs

### **MEN'S CLOTHING:**

- Underwear
- Jeans
- Trainers
- Trousers
- Socks

### **MISCELLANEOUS**

- Sleeping bags
- Toilet rolls
- Kitchen towels

*Do you still wish to receive our newsletter?*

If you still wish to remain on our mailing list that's fine, no problem whatsoever – you do not have to do anything.

However, if you would (a) like us to stop sending you our newsletters or (b) receive an electronic version as opposed to a paper one please either return this slip or email us on [mail@mannasociety.org.uk](mailto:mail@mannasociety.org.uk) and let us know.

I do not wish to receive The Manna Society newsletters

I would prefer to receive your newsletters in electronic format (as an email attachment)

Name:

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