

**Salford City Council**

# **Welfare Reform, Financial Insecurity and the Risk of Exploitation.**

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**22nd March 2018.**

# Welfare Reform, Financial Insecurity and Children and Adults safeguarding.

- Joint work between partnership boards on the poverty agenda reflecting the City Mayor's priority to **tackle poverty** in the city and campaign against unfair welfare reform cuts.
- Research has established links between poverty and **poor mental health**, in particular feelings of fear, instability and powerlessness (McGrath et al 2015)
- Increasing **manifestations of "neglect"** – eat or heat, home disrepair, risk of homelessness, school attendance, lack of school uniforms, sanitary poverty etc.
- Salford Council Debt Advice team report increase in households with a **"deficit budget"** – long term intractable debt.  
**E.g 400 + families affected by the Benefit Cap in Salford.**

# How does poverty link to complex safeguarding and the risk of exploitation?

- Research shows that an increasingly restrictive policy regime can place some individuals at risk of **exploitation**. Most research to date exploring this theme has focused on modern slavery.
- Evidence shows that the UK is characterised by a complex “**tiering of entitlement**” to residence, work and social security depending on immigration status or residence conditions which limit the options available to migrants to meet their basic needs.
- Joseph Rowntree research under their “**Contemporary Slavery**” programme demonstrated a direct link between restricted immigration policy and forced labour in the UK.

# Dwyer, Lewis, Scullion and Waite, 2011

*“Many migrants work on the fringes of low paid employment sectors under poor conditions. Under these circumstances, immigration policy and insecure immigration status can provide an environment conducive to exploitation by employers.”*

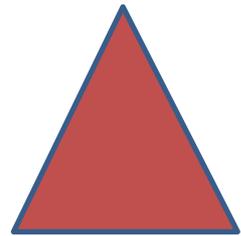
*“The lack of, or highly conditional access to legal work and/or welfare, may also be particularly important in rendering migrants who have few other choices susceptible to forced labour”*

*“.....the restrictive and complex workings of the UK immigration system are likely to push migrants into the hands of employment agents, smugglers and traffickers”*

# A “Continuum of Experiences and Situations”

- Research into forced labour (Skrivankova, 2010) refers to a **continuum of exploitation** ranging from human trafficking and forced labour through to the coercion of vulnerable people into exploitative labour market experiences.
- The concept is less well evidenced in other policy areas but the premise that restricting people’s ability to meet their basic needs through policy and complex legislative changes can create a situation whereby **people are “forced” into alternative ways to meet those needs** is a reasonable proposition.

**Where would you place this scenario on the continuum?**



# “Welfare Reform” and the Erosion of the Social Security Safety Net.

- Successive governments have eroded **rights** to social security entitlements and espoused “responsibilities” with increased levels of **conditionality**.
- Since 2010, £12 billion of cuts to the system have resulted in reduced financial support for many, but have also **removed access** to basic financial support for groups of people.

**E.g.: Two Child Policy, Genuine Prospect of Work Test, abolition of the Social Fund, Universal Credit**

# DWP Benefit Conditionality, Sanctions and the Fear of Sanctions.

- Salford Sanctions Task Force launched a report 23<sup>rd</sup> May 2016 by the City Mayor found;
  - *60% 18 -24 year olds not in education or training claiming social security benefits*
  - *Adults with learning disabilities sanctioned with no food or heat for weeks due to not completing work searches correctly*
  - *Lone parent with mental health problems received several sanctions as too anxious to leave her home*
  - *People afraid of being sanctioned taking up unsuitable work, work experience and volunteering placements leading to deterioration in health and well being*
- **“Welfare Conditionality”** research project (5 year qualitative study) highlights the effects of the extension of this policy to additional groups - disabled people, lone parents of very young children and those in low paid work claiming Universal Credit.

# A Job At Any Cost?

## The rise in precarious employment.

- Conditionality is linked to insecure labour market practices - agency and zero hours contracts are a growing feature in the UK, with nearly 7% of all new jobs created between 2010 and 2016 being temporary agency placements.
- Research by University of Salford, Sheffield Hallam and Derbyshire Unemployed Centre found people sign up to agencies because they cannot find permanent jobs or because they were coerced to do so by Job centres.

***“ Many of these workers told us that shifts are simply given to people whose face fits and can be withdrawn from those seen as trouble makers. These draconian employment practices create a climate of punishment and fear which has no place in 21st century Britain and it is clear that more must be done to educate workers about their rights and to lobby government for more protection.”***

# Financial Inclusion and Skills and Employment Partnership work in Salford.

- Financial Inclusion Practitioner's Group ensure people can access independent, quality assured **welfare rights and debt advice**. Promote **affordable credit** alternatives through Salford Credit Union and work with the Illegal Money Lending Team on anti **loan shark campaigns**.
- City Mayor invested in our council local welfare scheme, **Salford Assist** as a source of support for people in financial crisis to prevent them turning to high cost or illegal loans.
- Skills and Work Board with other partnership groups continue to promote the **Living Wage and the Mayor's Employment Standards Charter** recognising "good quality " employment.

## Conclusions and Next Steps.

- National policy restrictions, increasingly Welfare Reform and employment practices are **pushing people into precarious and potentially exploitative situations.**
- Lack of research evidence on financial cost of **“displacement”** to local authorities, voluntary and community sector, Police, Health, housing providers when people are diverted into these activities.
- **Salford Anti Poverty Task Force** – research collaboration Salford City Council and Salford University is a potential vehicle to explore further.

# References and Resources (1)

Further information about the DWP “Two Child Policy”:

<https://www.gov.uk/guidance/claiming-benefits-for-2-or-more-children>

<http://www.endchildpoverty.org.uk/unhappy-birthday-executive-summary/>

Guardian article on DWP Mandatory Work Activity:

[https://www.theguardian.com/uk/2012/jun/04/jubilee-pageant-unemployed?CMP=share\\_btn\\_link](https://www.theguardian.com/uk/2012/jun/04/jubilee-pageant-unemployed?CMP=share_btn_link)

Local Advice and Support :

<https://www.salford.gov.uk/advice-and-support/welfare-rights-and-debt-advice-service/>

<https://www.salford.gov.uk/advice-and-support/welfare-rights-and-debt-advice-service/salford-assist/>

# References and Resources (2)

Salford's Skills and Work Board/Financial Inclusion Practitioner's Group report into DWP Benefit Conditionality and Sanctions:

[http://www.partnersinsalford.org/skills\\_work\\_board.htm](http://www.partnersinsalford.org/skills_work_board.htm)

National academic report into welfare conditionality where Salford was a fieldwork site:

<http://www.welfareconditionality.ac.uk/>

Salford City Mayor's Charter for Employment Standards:

[www.salfordcitymayorcharter.info](http://www.salfordcitymayorcharter.info)