

Funding the Future

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£23 billion of benefits are not paid in the UK a year. Why is it that finding those who are due to be paid is not a national priority?

<https://www.youtube.com/watch?v=yWLd90c6Nf0?si=Kn1mtgLJbibusDgk>

This is the audio version:

https://www.podbean.com/player-v2/?i=rzdjj-17c1942-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=&logo_link=episode_page&btn-skin=c73a3a

This is the transcript:

There's a lot of furore in politics about the fact that the cost of benefits is becoming uncontrollable and out of control as if we are going to be sunk by the fact that we have people who need help in our society. I don't think that's true, of course. I think it's the job of our society to help those people who need assistance to deal with the ordinary stresses of everyday life, including the need for a sufficient income.

So, I'm not terribly sympathetic with those who are saying, for example, that disability benefits are now unaffordable, as the House of Lords has recently done, and those who are saying that we need to curtail the expenditure on these as the Tories did towards the end of their period in office, and which Labour is also trying to do, to save £3 billion a year.

Instead, what worries me is something quite different when it comes to benefits. In April

last year, it was estimated that £23 billion worth of benefits that were owed to people in this country were not paid in the previous year.

Think about that. £23 billion worth of money that would have assisted the most vulnerable members of our society was not paid because the government did not go out of its way to find who had not claimed, and it doesn't, as a matter of fact, see it as its job to go and find people who have not claimed benefits.

They see it as their job to persecute those who have over-claimed benefits, and let me be clear: I am not at all sympathetic with those who abuse the system and claim fraudulently.

But let's also be clear: the scale of that problem is relatively modest - two billion or so a year at most of over claims, matched by as many mistakes by benefit agencies in over-payments made. This is a complex world where mistakes will happen.

But those numbers are totally and utterly insignificant compared to £23 billion of unpaid benefits. In other words, these are sums that the government recognises that people need in order to live well, which they aren't getting.

Roughly one-third of that sum - and the chart that shows the breakdown is going to be on your screen - one-third of that sum relates to universal credit, the basic benefit that people get. So, around £8 billion a year is unpaid there, and that means that families are literally going to be struggling to make ends meet as a consequence.

The next biggest one is council tax support. Fifteen per cent of that total of £23bn, or in other words, over £3bn is support not provided to people who should be on discounts because they are on other benefits but who are nonetheless paying a full council tax bill and who are suffering as a result. This is penal taxation to which they're being exposed as a consequence of not claiming this benefit.

And look at the other ones. There's carers allowance not being paid - £2 billion a year.

There's pension credit not being paid - at least £2 billion or more a year. That benefit is difficult to claim because the guidance on who and who does not benefit is so difficult to interpret.

These are the consequences of having a system where the barriers to claiming are put in place by the government and are deliberately left there so that underclaims take place. After all, if a government is worried about overpaying disability benefits by £3 billion, which it says it can't afford, it would be petrified by the idea of paying out the full liability that it has owing.

But let's swap this story around. Suppose we were now talking about the government deliberately over-collecting £23 billion of tax. What would people say? Would they be angry? Of course, they would be. How dare you take too much money from me! But

that's exactly, in a sense, what's happening here. People are not getting the money they're entitled to. And so, we should be equally angry because these people need that money to live.

Again, don't get me wrong. I know that there will be some people who will be claiming undue benefits. I do not condone that. But that's got nothing to do with this. This is about not paying benefits to which people are entitled.

If we had a fair government, a compassionate government, a caring government, a government that wanted to make lives better, a government that wanted to deliver growth - because the people who get this money will spend it back into the economy, meaning that it will boost economic activity and will result in more tax paid, therefore recovering quite a significant part, if not all, of the sum paid - if we had those things, we would have a government that tried to work out who has not got these benefit payments and would try to make payment to those people. That is my belief.

If you want a use for AI in the economy that we have, then identifying those people who are not getting the benefits to which they are entitled would, to me, be one of the best uses of AI I could imagine. But is that going to be the use that the government's going to put it to? No. They're going to put it, apparently, to use to identify tax avoiders. Good luck, because I don't think it'll work very well. They are probably going to use it to identify benefits cheats.

But, are they talking about making sure that people get the benefits to which they're entitled? I've not heard that.

This is a scandal. This is a government that doesn't care at work. And this is something that needs to change.