

Five Reforms to Strengthen Universal Credit

Citizens Advice Scotland (CAS) Briefing – 31 January 2022

Scotland's Citizens Advice Network is an essential community service that empowers people through our local bureaux and national services by providing free, confidential, and independent advice. We use people's real-life experiences to influence policy and drive positive change. We are on the side of people in Scotland who need help and we change lives for the better.

Summary

The past 18 months have been an unprecedented test for Universal Credit (UC), with more people than ever before turning to the social security system for support. But with the cost of living continuing to rise, we need to ask if UC is a strong enough safety net.

A [new CAS report](#) looks at how UC supported five groups who seek advice from CAB every day: people who are newly out of work; people who are looking for work; people who are in work; people who are unable to work due to caring responsibilities or a disability; and finally people with children.

Our research found real gaps in the support UC offered to these people. But our report also suggests fixes. As shown by the statistics and case studies below, five policy changes would strengthen UC significantly, ensuring our social security system remains accessible and effective for everyone.

Investing in social security is the right thing to do for our economic recovery.

People newly out of work

Almost half (48%) of the people we surveyed said they had to borrow or take an advance to get through the five week wait for first payment, with **the majority (65%)** saying they would find it difficult to repay that loan.

Glen is in the 18-24 age group. He had just graduated and found a job but lost it during lockdown.

"There shouldn't be such a long waiting time for people to access funds. You can't be broke for 5 weeks. There should be an emergency first payment that you don't have to pay back."

CAS is calling for: Introducing a non-repayable assessment period grant at the beginning of all UC claims and replacing the DWP's debt recovery process with a system that reflects people's ability to pay

People looking for work

Someone who is cold and hungry will not be able to succeed at a job interview, nor will they be able to afford clothing and transport costs for their first shifts. Yet **one in five unemployed people** we surveyed said they had gone without something altogether while claiming UC (for example, giving up using their heating entirely) – **more than double the proportion of employed people.**

Robert is in the 45 to 59 age group. He applied for UC when he lost his job due to the pandemic.

"I usually run out of money before the end of the month and often have no heat for the last few days. My heating bills are high and I can't afford them especially during the winter. I'm left with £6 per day after paying for everything."

CAS is calling for: A permanent increase to the basic allowance of UC

People in work

Over a third (38%) of people on UC in Scotland today are in work. Yet even with wages, these people can face serious hardship. **70% of the employed people we surveyed** found UC inadequate for their needs, with **one in three** cutting back on heating and **29%** cutting back on electricity or gas.

Cait is in the 60 to 64 age group. She is furloughed and applied for UC to top up her wages.

"I really had no expectations about the amount, although in saying that, I was a bit surprised about how little it was. It wouldn't be adequate if that was all I was getting, that's for sure."

CAS is calling for: A review of UC as an in-work benefit, including reintroduction of Work Allowances for everyone, to make sure UC properly supports those in employment

People unable to work

People who are unable to work make up over a fifth of all people on UC in Scotland. These people need adequate support from social security payments alone, yet **54%** said UC was inadequate for their needs, with **32%** having to borrow money to pay for essentials.

Neal is in the 45 to 59 age group. Due to a fall while in hospital, Neal is medically unfit for work.

"I would say that my spending has gone up. I need the internet now for dealing with things as everything is online at the moment. Petrol for the car is a priority for me because I need it for getting to health appointments. It's not possible for me to go by bus."

CAS is calling for: Protecting and uprating support for people with disabilities and caring responsibilities

People with children

Over a third of households on UC in Scotland have children, who need a strong safety net for their children to have a good start in life. But **more than three times as many households were subject to the benefit cap** in May 2021 compared to February 2020, with disproportionately more households with children seeing their income capped.

Sheila is in the 25 to 34 age group. She applied for UC when her husband was made redundant.

"Having to do without things has definitely impacted on our mental health. We feel awful, depressed, anxious about the future, worried about our children but there are others that are worse off than us."

CAS is calling for: Scrapping the benefit cap and the two-child limit

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