

MP Briefing on UC adequacy and the £20-a-week Cut

Citizens Advice Scotland (CAS) Briefing: 6th September 2021

Scotland's Citizens Advice Network empowers people in every corner of Scotland through our local bureaux (CAB) 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 UK Government is proposing to cut Universal Credit by £20 a week from October 6th, reinstating it to pre-pandemic levels. CAS research shows that even with the increase, people on UC have struggled. Any cut will hurt people on UC and harm the government's own Plan for Jobs and levelling up agenda.

CAS recommends cancelling the cut and permanently increasing UC's basic allowance.

In a [new report](#) released today, CAS explores the experiences of 601 Citizens Advice Bureau (CAB) clients living on UC during the pandemic. The findings are stark:

- **More than two thirds (67%)** of people surveyed said the UC payment they received was inadequate for their needs.
- **Over one in four (27%)** had to borrow money in order to pay for essentials.
- **Almost half** reported cut down on **heating (47%)** and **electricity or gas (45%)** during their UC claim.
- **One in five (20%)** cut down on food.

Asked about the impact of decreases to their income:

- **74%** said they would be unable to cope if their income dropped by £20 per week.
- Asked what the single biggest impact of the cut would be, **26%** said they would be unable to pay for essentials and **14%** said they would be unable to buy food.

Cutting UC will thrust more people into poverty, making it harder to get by for people in work, harder for people trying to find work, and taking **half a billion pounds** out of Scotland's most deprived communities. The UK Government must do the right thing and make the £20 increase to UC permanent.

Rising bills, dropping incomes – UC during the pandemic

COVID-19 has left people isolated and anxious over the past 18 months. But our survey found that those relying on UC have had it much harder, often going without heating, food, and other essentials.

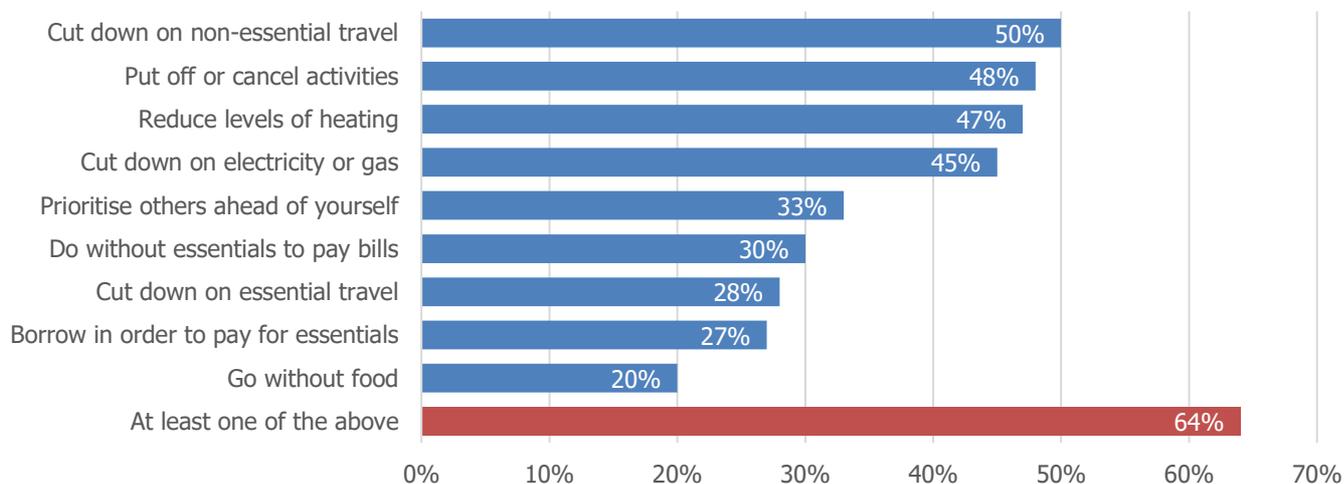
Sheila's story

Sheila is currently furloughed from her job as an accountant and applied for UC when her husband was made redundant. She says that, as a family, they have had to cut back to survive.

"Our spending has gone down. It had to, to survive. We don't spend on ourselves anymore. 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."

The pandemic has created added financial pressure, with utility and food bills rising during lockdown. This led to people cutting back. **64%** surveyed had to cut down on at least one basic necessity during their UC claim, with **47%** cutting down on heating, **45%** on electricity or gas, and **20%** on food.

Chart 1. Have you had to cut down on any of the following since applying for UC? (n=601)



The £20-a-week cut to UC

With this in mind, cutting UC by £20 a week is a step in the wrong direction. Our research found that most would be unable to cope if their UC income dropped, with **61%** unable to cope if it dropped by £10 per week, **74%** unable to cope if it dropped by £20 per week, and **78%** unable to cope if it dropped by £30 per week.

Asked what the single biggest impact of the cut would be, **26%** said they would be unable to pay for essentials, **9%** said they would be unable to pay bills, and **14%** said they would be unable to buy food.

Robert's story

Robert is in the 45 to 59 age group. He was self-employed but had his next contract cancelled due to COVID. Robert is already struggling to get by on UC.

"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."

Robert's mental health is poor as is his quality of life.

"I run out of heat and when I do, I just go to bed at 6.30. I'm really struggling. I've no money for essentials never mind luxuries. I just want to get back to work".

Adequate social security support can lift people out of poverty and prevent huge and unnecessary public spending by reducing demand on other services. Investing in UC is the right thing to do, to protect individuals from hardship and to support our post-pandemic economic recovery.

For further information, please contact:

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