

Cancel the Cut and Make the UC Uplift Permanent

Citizens Advice Scotland Spring Budget Briefing for MPs

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

- From March 2020 to January 2021, Citizens Advice Bureaux have provided over 131,000 pieces of advice on Universal Credit (UC).
- The £20 a week uplift brought the value of UC back in line with increases to the cost of living over the past 8 years, following years of below inflation increases and freezes.
- If the £20 weekly increase is removed, UC will be worth 11.5% less in real terms than it was when introduced in 2013.
- The uplift increases the number of CAB clients with complex debt needs who are able to meet essential living costs by 28%.
- Without the uplift, nearly 6 in 10 (58%) of CAB complex debt clients will be unable to meet essential living costs.
- If the uplift is removed, 60,000 people in Scotland including 20,000 children will be pushed into poverty.¹

CAS is calling for: The £20 a week UC uplift to be made **permanent** in the March 3 Budget.

The £20 a week uplift has only just brought UC back in line with inflation

The UC uplift was introduced as an emergency response to the pandemic. However, pre-pandemic UC rates were already inadequate. Following years of below inflation increases and the benefits freeze, the need to uprate UC to a more adequate rate was urgent prior to COVID. Anything less than making the £20 increase permanent would ignore the real terms reduction in the value of UC that has taken place since its introduction.

The chart below (Chart 1) shows that the £20 a week uplift made 2020 the only year since UC's introduction where the Standard Allowance rose above inflation. Accordingly, the uplift should not be seen as an emergency measure but **a reversal of previous cuts**, bringing UC's value **back to its original value and in line with increases in the cost of living**.

As CAS set out in our response to [the Social Security Benefits Up-rating Order 2021](#), if the £20 a week uplift is cut, the Standard Allowance for UC will be worth around **11.5% less in real terms than it was 8 years ago, in 2013**.²

¹ Scottish Government, [Impact of withdrawing emergency benefit measures](#), 20 November 2020.

Chart 1. Actual UC Standard Allowance rates compared to their value if uprated with inflation.

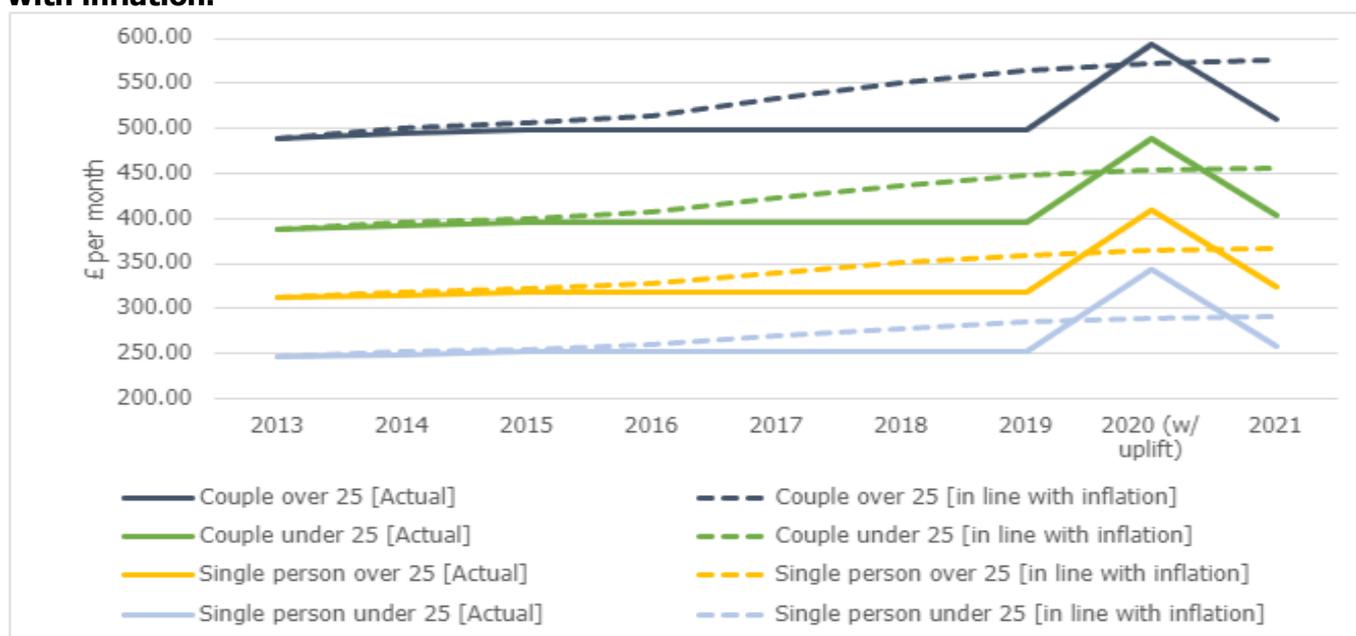


Table 1. Actual UC Standard Allowance rates compared to their value if uprated with inflation (selected years)

	<i>Couple over 25</i>		<i>Couple under 25</i>		<i>Single person over 25</i>		<i>Single person under 25</i>	
	Actual	If uprated in line with inflation	Actual	If uprated in line with inflation	Actual	If uprated in line with inflation	Actual	If uprated in line with inflation
2013	£489.06	£489.06	£387.42	£387.42	£311.55	£311.55	£246.81	£246.81
2020	£594.04	£573.18	£488.59	£454.06	£409.89	£365.15	£342.72	£289.27
2021	£509.91	£576.05	£403.93	£456.33	£324.84	£366.98	£257.33	£290.72

The £20 uplift is vital for new CAB clients struggling with complex debt during the pandemic

An analysis of UC clients who have used CAB services between April–December (see Chart 2) and are in what is considered 'complex debt'³ reveals the stark impact removing the £20 a week increase would have on this particularly vulnerable group:

- Without the additional £20 a week uplift, nearly 6 in 10 (58%) of these CAB clients will be pushed into a negative budget⁴.
- This is 38% more complex debt clients in a negative budget than if the uplift is retained.
- Throughout the pandemic, the £20 a week uplift has kept 28% more CAB clients with complex debt in a positive budget.

² All inflation figures calculated with the [Bank of England's Inflation Calculator](#). Figures do not include additional elements such as housing, childcare, or work allowance.

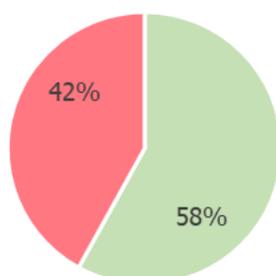
³ Complex debt refers to the level of support someone needs, whether that is due to the size of their debts in comparison to their income, or the number of separate debts they have.

⁴ A negative budget is where a client's debt repayments and essential living costs add up to more than their income. A positive budget is where a client's income is sufficient to meet their debt repayments and cover essential living costs.

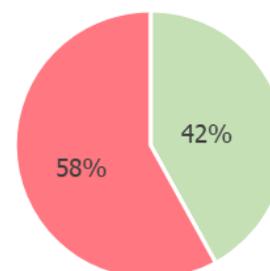
Chart 2. Impact of £20 a week on new CAB clients seeking complex debt advice (Apr-Dec)

With additional £20 a week

Without additional £20 a week



■ Cases in positive budget
■ Cases in negative budget



■ Cases in positive budget
■ Cases in negative budget

Table 2. Impact of £20 a week on new CAB clients seeking complex debt advice (Apr-Dec)

	With additional £20 a week	Without additional £20 a week
Cases in positive budgets	345 (58%)	250 (42%)
Cases in negative budgets	249 (42%)	344 (58%)

CAB Adviser's Insight

CAB advisers work every day providing advice to people on UC and they are clear about the importance of maintaining the uplift. One West of Scotland CAB adviser told us of the impact the uplift has had for one client with longstanding rent arrears:

When the £20 uplift was applied, the rent charge was covered most months and was short by £30 on 5 week months which was much more manageable. In less than a year, she has been able to clear off her rent arrears and is no longer at risk of being evicted.

The CAB adviser stressed that the uplift was not only a question of income for the client but also their security and wellbeing:

She is coping so much better with her finances, she's less stressed and no longer has her landlord contacting every month telling her to pay money that she couldn't afford.

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For further information, please contact:

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