



## Context:

The Covid-19 pandemic has laid bare the shortcomings with the UK social security system. While the Westminster Government's efforts to temporarily support the social security system – most notably through a £20 weekly uplift to Universal Credit – were welcome and much needed, ultimately they have been insufficient to make our benefits system fit for purpose. Ahead of the Budget on 3rd March 2021, our research collaboration is joining a growing number of academics, campaigners, charities, and activists to make the case that the Government must keep, and extend, the £20 uplift in order to address the severe hardship and inequalities faced by those living on a low income. We also provide evidence that greater financial support is required to ensure families on a low income are able to meet their needs.

## Who we are:

Covid Realities<sup>1</sup> is a research collaboration between parents and carers, the Universities of York and Birmingham, and Child Poverty Action Group (CPAG). The 'COVID-19 and low-income families: Researching together'<sup>2</sup> Special Interest Group (SIG) is a collective of 14 different research projects across the UK, including academics and researchers from the voluntary sector, working collaboratively as part of the Covid Realities project. We are working with over 4,000 parents and carers, through a range of approaches, including surveys, in-depth methods, following families' experiences over time, and involving parents and carers in the research.

## Key findings across our 14 projects:

- Many families with dependent children receiving Universal Credit report financial hardship, with associated debts, stress and worry. The £20 uplift was therefore important to help mitigate hardship, especially for those losing jobs or with reduced hours of work<sup>3</sup>;
- Whilst appreciated, the £20 uplift has not always (or even often) alleviated the everyday hardship experienced by families with dependent children living in poverty<sup>4,5</sup>;
- For some families, the £20 weekly increase in UC payments was absorbed into debt deductions or used to cover additional – and rising – living costs<sup>6, 7</sup>;
- These increased costs often had severely negative effects, such as an increase in food insecurity, and worsening mental health<sup>8</sup>;
- Often, parents and carers were currently repaying advance payments of UC, and described how these debt deductions left them struggling despite the £20 uplift<sup>9,10</sup>;
- Removing the £20 uplift would have a devastating impact on family budgets, and the government must go further by providing dedicated financial support for families with children.

## We jointly recommend:

- Maintaining the £20 uplift to UC is essential, but there is a strong case to do more for low income families with children, and to prevent rising levels of hardship and destitution<sup>11,12</sup>;
- The Government should confirm that the £20 a week uplift to UC will continue beyond October 2021, with the increase being extended to those on legacy benefits and passed on in full to those subject to the benefit cap;
- A real terms increase to the level of Child Benefit is long overdue and should not be subject to the problems associated with means testing that can undermine Universal Credit<sup>13</sup>.

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<sup>1</sup> <https://covidrealities.org/>

<sup>2</sup> <https://covidrealities.org/research/collaborators>

<sup>3</sup> [www.distantwelfare.co.uk/winter-report](http://www.distantwelfare.co.uk/winter-report)

<sup>4</sup> <https://media.covidrealities.org/benefitexperiences.pdf>

<sup>5</sup> <http://www.social-policy.org.uk/spa-blog/lockdown-low-income-families/>

<sup>6</sup> <https://media.covidrealities.org/benefitexperiences.pdf>

<sup>7</sup> <https://www.bath.ac.uk/publications/uncharted-territory-universal-credit-couples-and-money-summary/attachments/Uncharted-Territory-Summary.pdf>

<sup>8</sup> <https://blogs.bmi.com/bmi/2020/12/21/covid-19-and-everyday-experiences-of-hardship-why-charitable-provision-is-not-enough/>

<sup>9</sup> <https://www.bath.ac.uk/publications/uncharted-territory-universal-credit-couples-and-money-summary/attachments/Uncharted-Territory-Summary.pdf>

<sup>10</sup> <https://media.covidrealities.org/COVID%20realities%20-%20Advance%20to%20debt%2022%20Dec.pdf>

<sup>11</sup> <https://www.resolutionfoundation.org/app/uploads/2021/01/Pandemic-pressures.pdf>

<sup>12</sup> [www.distantwelfare.co.uk/winter-report](http://www.distantwelfare.co.uk/winter-report)

<sup>13</sup> <https://blogs.bath.ac.uk/iprblog/2021/01/22/20-uplift-debate-shines-a-light-on-inadequate-benefit-rates-and-design-flaws-of-universal-credit/>