

**Z2K's response to the APPG on Poverty's call for evidence into the impact on poverty of maintaining the £20 uplift in Universal Credit**

Z2K (Zacchaeus 2000 Trust) is an anti-poverty charity that uses advice and support to prevent people becoming homeless and help low-income households to access the Social Security benefits they are entitled to. In 2020, we supported over 1,000 people, including 190 people appealing to the First Tier Tribunal (Social Security & Child Support) against decisions by the Department for Work & Pensions (DWP) to refuse their claim for benefits. All our clients are either in receipt of means-tested working-age benefits or are challenging a decision to refuse such benefits. We use evidence from this casework to show what is wrong with the current system and campaign for change.

While Z2K welcomed the £20 uplift in Universal Credit (UC), and calls for its maintenance beyond April 2021, it is still not enough to meet the real costs of living. What is more, it is vital that this uplift is extended to the 2 million households in receipt of legacy benefits – Job Seekers Allowance (JSA), Employment and Support Allowance (ESA) and Income Support (IS) – many of whom are disabled or have long-term health conditions and have struggled to pay for essentials like food and bills during the pandemic as a result of being without this uplift. Z2K is totally opposed to this creation of a discriminatory Two Tier social Security system with those who weren't in work prior to the pandemic getting less than those who are newly-unemployed as a result of it.

**Maintaining the £20 uplift**

The rates of working age benefits were already insufficient when the then Chancellor decided to freeze them in 2015. The year-on-year erosion in their value that followed has resulted in a Social Security system that fails to provide people with a minimum standard of income, and has pushed 400,00 people into poverty.<sup>1</sup>

Z2K therefore welcomed the Government's decision to uplift UC and Tax Credits by £20 a week in April 2020. This move clearly recognises that the £73.10 a week UC, JSA, ESA and IS had previously been set at was insufficient to live on. While this uplift wasn't enough to reverse the cuts to the Social Security system that preceded it, as the following two case studies demonstrate, it has gone some way to restoring the support that had been progressively cut from peoples' incomes.

**Marco's story<sup>2</sup>**

*In April 2020, Marco moved into a flat in London following a period of homelessness - his full rent is covered by his UC housing allowance. Before the Covid-19 increase of £20 a week was applied to his UC standard allowance, Marco was left with £62 a month for food and essentials after paying his bills and Advance Payment deduction. As a result, when Marco first moved into his flat he had no means of buying a fridge, cooker, microwave, kettle or bedding. He relied on charities to get these items for him, something that not everyone will have access to. On the new UC rate, Marco is left with £154 a month for food and essentials, which means he now has more independence, flexibility and the chance to save a little for larger one-off items.*

**Kelly's story<sup>3</sup>**

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<sup>1</sup> JRF 2019, End the benefit freeze to stop people being swept into poverty

<sup>2</sup> A pseudonym has been used to protect our client's identity

<sup>3</sup> A pseudonym has been used to protect our client's identity

*Kelly is a single parent to a two year-old child. In March 2020 she received £407.91 from UC (£251.77 standard allowance, £231.67 child element with £75.53 deducted for arrears and advance payments), as well as £89.70 in Child Benefit, giving her a total monthly income of £497.61. After paying bills, she was left with approximately £300 a month to spend on food and other essentials for herself and her infant child. She had to turn to food banks on many occasions, but preferred not to do this as she likes to provide fresh food for her child instead of tins. Since April 2020, she has received the Covid-19 increase to her UC standard allowance, and since May 2020 when Kelly turned 25, she has also been entitled to the over 25 increased UC rate. These increases, combined with Child Benefit, mean Kelly is now left with approximately £460 a month for food and essentials after paying her bills. This means she can provide for her child without needing to rely on foodbanks.*

As these case studies demonstrate, the £20 uplift has helped restore some dignity to peoples' lives. Taking it away, especially in the midst of a pandemic when many people are facing additional financial hardship - 6 million UK adults have fallen behind on at least one household bill during the pandemic<sup>4</sup> - would leave people like Marco and Kelly once again struggling to pay for essentials, having to rely on foodbanks and support from charities, and at risk of falling into rent arrears. As research from Citizens Advice shows, 75% of people receiving uplifted benefits would not have enough to cover their daily costs if the uplift was removed.<sup>5</sup>

This increase needs to be maintained beyond April 2021, and brought further into line with the cost of living. As many of the people claiming UC for the first time because of Covid-19 have had to learn, even with an extra £20 a week the UC allowance is not enough to provide people with a decent standard of living – six in ten families with children on UC or Child Tax Credits (CTC) have had to borrow money during the pandemic.<sup>6</sup>

As we called for in our 'Blunt, bureaucratic and broken: how Universal Credit is failing people in vulnerable situations' report,<sup>7</sup> UC and legacy benefit rates must be immediately restored to their true pre-2015 value, and in future years increased by whichever is the higher of average earnings or inflation as has been done with the "triple lock" for pensions.

### **Extending the £20 uplift**

Z2K and others have spoken out about the discrimination of not providing this £20 a week uplift to those on out-of-work legacy benefits, with 2 million households adversely affected. The impact of being without this uplift, and the difference being awarded it would make, is demonstrated by the Disability Benefits Consortium (DBC) Covid-19 Survey findings featured in [Appendix 1](#), and in the following case studies:

#### *Victor's story*<sup>8</sup>

*Victor is a survivor of torture with refugee status. He is in receipt of ESA in the support group, and in receipt of the daily living component of the standard rate of PIP. He is also entitled to SDP which prevents him moving onto UC because of the SDP Gateway. He has a number of complex mental and physical health conditions. Since the outbreak of the Covid19 crisis, Victor has had to spend more*

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<sup>4</sup> Citizens Advice 2020, Excess debts - who has fallen behind on their household bills due to coronavirus?

<sup>5</sup> Citizens Advice 2020, Life on Less than Zero

<sup>6</sup> <https://www.jrf.org.uk/report/call-stronger-social-security-lifeline-children>

<sup>7</sup> <https://www.z2k.org/wp-content/uploads/2020/12/Blunt-bureaucratic-and-broken-double-page.pdf>

<sup>8</sup> A pseudonym has been used to protect our client's identity

money on food delivery which he says is expensive. One of the reasons he receives PIP is because cooking is challenging for him and he forgets to turn off the stove most of the time he tries to cook, as a result he has had to order and pay for food to be delivered to him because he cannot go to the shops or restaurants himself. Victor has also spent more money on phone bills since the outbreak of Covid19 because he has had to make more phone calls to friends and relatives. This contact with family and friends is a form of therapy for him as he continues to fight serious depression and anxiety. An extra £20 a week will help him cover some of his expenses such as paying for delivery of his food and paying his phone bills. As someone receiving ESA he has said the same £20 per week emergency income that has been given to those on UC, should also be given to those on legacy benefits because it will help him and others to cope with some of the financial challenges they face. He has said that those on UC face similar challenges and now receive extra income to cope, yet those on legacy benefits have not seen that same uplift and are therefore being discriminated against for not being treated equally.

#### Chris's story<sup>9</sup>

Chris has a rare health condition, has survived five heart operations and has been told he has a life expectancy of 35 years. Because of his condition, Chris ESA and lives with his parents. He has said that the pressure on his parents has become immense because of the pandemic. They fear that every time they go out for food, or work, they put his life in danger. They worry about income and whether they will have enough to eat and to pay their bills. His mother is his full time Carer yet only gets £67 a week in Carer's Allowance. Life has become enormously stressful for Chris and he has become more fearful for the future than ever before, as he struggles to manage with the money he receives from ESA during the Covid-19 lockdown. Chris says: 'It feels like they are only looking after people on UC [...] 'Just because you are on a legacy claim, doesn't mean you should be left behind'

#### Lee's story<sup>10</sup>

Our client Lee was wrongly put onto UC despite having ESA Severe Disability Premium (SDP). Following our intervention, she has had her ESA SDP reinstated. She receives Housing Benefit and PIP as well. She has faced many additional costs as a result of Covid-19. She used to take public transport to do her food shopping, but no longer feels safe doing so, so has to rely on taxis to get to the shops because until recently, there have been no delivery slots available. A return taxi trip costs £12, and because her kitchen isn't big enough to store a lot of food, she has to make this trip fairly frequently. She also struggled to get any protective masks – her friends sent her some, but these came with a £60 import duty that she had to pay. She is also covering the petrol and taxi costs of people who come to assist her around the flat, who themselves are unable to take public transport at the moment because of the risk. The £20 a week would make a big difference in helping to cover some of these costs (even her PIP isn't able to cover these at the moment). As a result of being without this additional support, Lee is currently struggling financially and has had to cut back on many things.

As part of the DBC's campaign to Increase Legacy Benefits, Z2K organised a petition with 38 Degrees<sup>11</sup> calling for legacy benefits to be uplifted by £20 a week as well. Over 120,000 people have now supported it. The Work and Pensions Select Committee and the Social Security Advisory

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<sup>10</sup> A pseudonym has been used to protect our client's identity

<sup>11</sup> <https://you.38degrees.org.uk/petitions/stop-leaving-disabled-people-behind>

Committee (SSAC) has publicly called on the Department for Work and Pensions (DWP) to raise legacy benefits.<sup>12</sup> Cross party MPs have challenged ministers on it. Despite overwhelming pressure to increase legacy benefits, the Government maintains that those 2 million people could move to UC to benefit from the £20 per week uplift.

This move is not an option for large numbers of the 1.5 million people in the ESA support group who would lose out if they moved to UC. There is also significant evidence as to the financial and emotional hardship that moving to UC causes many people, including increased foodbank usage and accumulation of rent arrears.

The Government also maintain that changes cannot be made because the legacy benefit IT software is too difficult to change. Despite the opportunity in November 2020 to include an uplift as part of the annual benefit uprating, DWP instead increased benefits by 37p per week. This comes in the face of a rise in unemployment expected to be the sharpest for at least 50 years soaring to 2.6 million in 2021<sup>13</sup> and a disability employment gap of 28.4%.<sup>14</sup>

Now, amidst a public health crisis, when poverty rates and the costs of essentials are rising and there is uncertainty around employment, this is not the time to be pushing people onto UC by the back door, particularly given the long-term implications of doing so. Ministers have recognised the need for an increase in benefits for those 'people affected' by this pandemic,<sup>15</sup> Z2K urges the Government to do the same for the 2 million on legacy benefits who equally need this financial lifeline.

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<sup>12</sup> <https://www.gov.uk/government/publications/covid-19-letter-to-secretary-of-state-from-ssac/covid-19-ssac-letter-to-the-secretary-of-state>

<sup>13</sup> <https://www.bbc.co.uk/news/uk-politics-55072987>

<sup>14</sup> <https://www.tuc.org.uk/research-analysis/reports/disability-pay-and-employment-gaps>

<sup>15</sup> <https://www.express.co.uk/finance/personalfinance/1378384/universal-credit-uk-dwp-uplift-legacy-benefits-account>

## Appendix 1: DBC Covid-19 Survey<sup>16</sup>

In April 2020, the DBC made up of over 100 disability charities and other organisations surveyed 224 people who are either disabled or seriously unwell. Ninety-five per cent of respondents said that their costs had increased as a result of the Covid-19 emergency.

### i) Food

92% of respondents specifically emphasised the additional costs of food. Reasons for this included:

- Many disabled people who normally rely on food deliveries are now unable to find available slots:
  - “I cannot carry shopping home, due to a chronic illness impacting my spine. As online orders from supermarkets are completely booked, I have had to find alternative shops to order from for home delivery, all of which are considerably more expensive. The world just got tremendously less accessible for me, and as a consequence, vastly more expensive.”
  - “My partner and I have to self-isolate. She is mid-level risk but if I get sick we don’t have many friends or family that could help with 24 hour care e.g. bathing/meds. She can’t be left in house alone because of her mobility so we have always shopped online (never told Sainsbury’s that but I didn’t realise you needed to disclose your disability pre pandemic) we can’t get any food delivered so have resorted on deliveries from smaller local grocers but they aren’t as cheap, especially as my partner is on a restricted medical diet.”
- Disabled people may also be more likely to have medically restricted diets, which are harder and more expensive to source at the moment:
  - “Food is more expensive too. If you're on a specific diet because of your condition, you're in trouble. I suffer from diabetes.”
- For those who normally rely on extra support from friends or family, they may now be doing without that:
  - “My daughter hasn’t been able to help me as much, so I have had meals delivered when I have had flares in fibromyalgia.”
- Disabled people are more likely to have a lower income, meaning they may rely on more affordable food options which aren’t currently available:
  - “More money on food because reduced items aren't there anymore, and neither are cheaper items. Also prices in general have increased.”

### ii) Utilities

28% of respondents specifically emphasised the additional costs of utilities. Reasons for this included:

- Many disabled people having to shield at home, or being more likely to need to stay in their house 24/7:
  - “Increased power and heating costs as my father, who is my primary carer, is having to shield at home too, when he normally has a very active social life.”
  - “I expect my gas and electricity bills to be much more than usual, again because we are at home full time shielding.”

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<sup>16</sup> <https://disabilitybenefitsconsortium.com/dbc-reports/>

- “Electric and gas charges are way up. My father is paying for some of my energy charges out of his pension. This isn't right.”
- Disabled people at higher risk from Covid-19 needing to take additional precautions to protect their health:
  - “Water and electric usage has increased due to extra hygiene measures.”
  - “I don't normally run hot water as have electric shower, but kept it on for hand washing, so electric higher.”
- People having their usual care reduced, or experiencing higher levels of isolation:
  - “Phone usage costs has increased as carer can't visit anymore.”

### iii) Managing health

28% of respondents specifically emphasised additional costs related to managing their health or disability during the Covid-19 emergency. Reasons for this included:

- Being unable to access medical support:
  - “I was seeing my doctor regularly to have my blood pressure and pulse checked to keep me safe on the medications that I take, but now I can't go to see him I have had to buy the equipment to monitor it myself at home. I needed some other basic medical equipment so I can monitor my health condition myself while I can't go to my doctor's appointments because of the lockdown, but it was all inflated in price due to high demand. Things that should cost £10 now cost £50.”
  - “Having to buy vitamins because my hospital appointments with endocrinologist have been cancelled until further notice and I have suspected immune disorder.”
- Needing to minimise increased risk from Covid-19:
  - “Face masks, disposable gloves, extra cleaning supplies like soap, disinfectant, Dettol spray, antiseptic wipes, bleach, more laundry tablets because changing clothes every time I go outside, shampoo to clean hair after going outside, kitchen towels and sponges to wipe down outer and inner door handles.”
  - “PPE - to protect myself and my PA/carers”
  - “I had to stock up on all sorts of foods and medicines that I wouldn't normally buy to ensure my family and myself could cope should we catch the virus. There are three disabled people in my household of four. Two are very disabled. I also bought home-schooling items to make up for lost education which amounted to a fair bit as my daughter has learning difficulties and the other is ASD. I bought things to keep them occupied with sensory items, etc. Medicines included pain relief, cough and cold remedies, Vix, plug in air purifiers, Lemsips, and multivitamin and minerals. I also bought soft and easily digestible foods for the children and ones that are easy and quick to cook as my disabilities prevent me from making meals in general and if I got ill, I'd need easy things to microwave for example.”
- Managing the mental health impact of the pandemic and lockdown:
  - “I've also had to spend extra money on activities for the household to assist with mental health due to stress.”
  - “Found the need for carer to come in more due to stress and impact on mental health.”

### iv) Travel and transport

10% of respondents specifically emphasised additional costs related to travel or transport. Reasons for this included:

- Having to reduce risks by taking taxis to get shopping, medication, or go to medical appointments:
  - “I can't risk taking public transport anymore so have had to take a taxi to get my medication which is 45 mins each way... also have to get taxi to shops.”
  - “Taxis for medical appointments such as blood samples as buses not running or reduced service. Appointments were essential and not cancelled by surgery. Taxi for other things, to shops, when a bus would normally be taken.”
- Needing to pay for people to collect shopping and medication:
  - “Extra expenses for people to do my shopping and pick up prescription drugs for me as I am advised not to go outside as I am at high risk from the coronavirus as it could be fatal as I have COPD.”
  - “Paying people to go to the shops as I cannot do it myself and there are no delivery slots available.”
  - “Had to pay fuel costs for person getting my shopping and as they've had to go more frequently to find things the costs have been high.”

v) What difference would an extra £20 a week mean?

Most respondents told us that getting an extra £20 a week would make a real difference to them. In this current health emergency, no-one should be having to choose between eating or washing, or be unable to afford the medications they need to stay well.

It would mean people could afford the essentials:

- “I could put the heating on for a start. I've had to choose between heating or medication. The weather may be getting warmer but as I'm now working from home I'm also spending more on electricity which I'm struggling to afford.”
- “At the moment I am already having to cut back on necessary things like heating and food.”
- “It would mean I wouldn't have to worry about buying food and paying the delivery charge as there has been a few times i have waited and gone without because of this. It would be the difference between being able to eat well, and buy the things I need, and stretching what I have in the house as far as I possibly can, which is unhealthy and gruelling.”
- “It would mean not having to skip meals.”

It would mean people are better able to manage their health:

- “It would mean that both me and my PA/carers are safe.”
- “Because I have health needs that don't go away just because of COVID, I am having to spend extra on the materials and equipment that I need to look after my health condition. Normally these are much cheaper but now all sellers are inflating their prices I can't afford the things I need. An extra £20 a week would really help with this. I could buy a box of medical gloves and have them delivered to me for £20, which would keep me safe in managing my bowel programme, or I could buy some extra food so that I don't go hungry.”

It would reduce people's anxieties, and help prevent them from going into debt:

- “Right now we all need a little extra help and money worries should be the least of our stresses in the current climate. It is well known stress is a huge trigger for poor physical and

mental health and disabled people need to be their absolute fittest in the current circumstances.”

- “An extra £20 a week would mean the difference between debt or no debt, having to cut back on essentials to survive or being able to have all my basic needs covered. At the moment I am already having to cut back on necessary things like heating and food.”