

Briefing on Removal of Universal Credit £20-Per-Week Uplift Appendix 1

In East Devon, the latest figures presented to Councillors on the total number of households on Universal Credit across the District stands at 2,320 (Source: 'Employment and skills situation post September ending of furlough', Poverty Working Panel, 20th September 2021)

Analysis from the TUC [earlier this year](#) found that the South West region has the highest proportion of people in work negatively affected by the Universal Credit £20 a week cut in the UK. In total, four in ten Universal Credit claimants in our region are already in work.

Recent [analysis](#) from the ONS suggests that the reason for so many people in work having to claim Universal Credit is due to a combination of low wages, seasonal work and high housing costs. House prices in tourist hotspots such as Exmouth, Budleigh Salterton, Sidmouth and Seaton are rising significantly and becoming increasingly out of reach for the low paid.

To compound the above factors, energy costs are rising this winter, with people with typical household levels of energy use seeing their bills increase by £139 to £1,277 a year. This will particularly affect families.

There is also the planned increase in National Insurance to pay for social care, and an expected increase in food prices, which will increase poverty.

Taken together, these factors represent a cliff edge with people on low wages in our District at higher risk of destitution than any time in recent memory. The £20 a week Universal Credit uplift had added up to a total of just over £1,000 a year for people on low incomes. Reinstating this uplift will prevent the low-waged from falling into serious financial hardship and for those who are living in the private-rented sector, will prevent some evictions.

Although [it is argued](#) that the cut immediately saves the Treasury around £6bn-a-year in immediate costs, these savings are likely to disappear and become higher costs when Councils are forced to step in and spend large sums of money housing destitute people in hotels and B&Bs at exorbitant cost to the local ratepayer as we accord with our statutory duties to relieve homelessness. The effect being made homeless has on mental and physical health will also place a further burden on the NHS.