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Complexities for claimants: The reality of the £20 weekly uplift to Universal Credit

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Executive Summary

Universal credit (UC) is the UK's single, 'digital by design' working-age benefit, intended to simplify benefits and incentivise work and higher earnings for low-income individuals and couples both in and out of work. In March 2020, in response to the Covid-19 pandemic, the UK Government announced an increase of £20 per week in the UC adult standard allowance for both individuals and couples (and the basic allowance of Working Tax Credit). Intended as a temporary measure to mitigate the worst effects of job loss, sickness and reduced household income as a result of the lockdown and pandemic, the £20 uplift was due to end in March 2021. Following intense debate and lobbying in favour of retaining the £20 increase longer term, in the Spring Budget 2021, the Government extended the uplift by six months, until early October 2021, around the same time that the Government's Coronavirus Job Retention Scheme (furlough) was due to end.

Research conducted by academics and policy think tanks examining the distributional effects of the £20 uplift, and of its withdrawal, on different groups of claimants, provides strong support in favour of making the increase permanent (IFS, 2020; Bell et al., 2020; JRF 2021). Returning the allowance to pre-pandemic levels, they argue, would represent a benefit reduction of greater magnitude than that imposed during the previous decade of austerity and social security cuts. These studies model the financial impact of retaining or reversing the increase. Here we examine how the effects of the uplift were actually experienced in real time by the intended beneficiaries. Drawing on a three year, two wave, ESRC-funded qualitative, longitudinal research study entitled *Couples balancing work, money and care under the shifting landscape of Universal Credit* (ESRC ES/R004811/1), this policy briefing presents new empirical findings for how the £20 uplift was experienced and responded to by UC claimants themselves. This focus on the experience of claimants highlights how the means-tested design of Universal Credit affects claimants in different ways according to their circumstances, and especially whether or not they have any earnings.

The research charted the lived experience of UC claimants with and without dependent children during two waves of interviews, two years apart, between 2018 and 2020. 90 people were interviewed in wave one and 63 in wave two. All were currently claiming, or had previously claimed, UC (and/or other means-tested benefits or tax

credits) as a couple. Some also had experience of claiming UC as a lone parent or single claimant. Interviews focussed on longer-term experiences of UC beyond the application process and initial wait for payment. Wave two interviews were conducted in September and October 2020 and explored what had happened in the intervening two years, including how well the participants and their families were managing in the context of the Covid-19 pandemic and the suite of emergency income support measures put in place by the Government.

Of the 63 participants (in 39 households) interviewed at wave two, 56 (in 34 households) were still claiming UC and so entitled to the uplift. They were asked what they knew about the £20 weekly uplift, whether they thought they had received it, what difference the uplift had made, and how the money had been spent. While some participants had received the uplift in full, others reported that they were not aware that they had received an increase in the UC payment, or said that they had been paid much less than the publicised amount. Indeed, some said that their UC payment had actually decreased since the uplift was introduced.

In his statement to Parliament on 8th December 2020, Will Quince MP, Under Secretary of State for Work and Pensions, confirmed that all new and existing UC claimants were eligible for the extra £20 per week (Hansard, 2020: 9P), so how can this conundrum be explained? Drawing on our wider study, this policy research briefing explores claimants' differential experiences of the £20 uplift with reference to the hidden complexity and inherent income insecurity that lie at the heart of UC.

Knowledge of the £20 uplift

We found generally low levels of knowledge about the £20 uplift. Of the 56 participants, fewer than half were aware of the uplift (25/56); over half (31/56) were either not aware (28/56), or not sure (3/56). Indeed, many found out about the uplift from the researcher during their wave two interview. Asked to consider why they did not know, the most common response was that no-one (from the Department for Work and Pensions (DWP)) had notified them about any increase in their benefit entitlement. This finding is corroborated by people who *were* aware of the uplift; none of them said they had found out about it from the DWP. Nor had any of them heard about the uplift from television, newspaper or radio reports. Most found out by chance, after noticing that their payment had increased. Others found out through friends or family, or via social media. This lack of communication puzzled many of the interviewees. Their assumption was that a good news story about a £20 weekly increase in benefits was information that the DWP would be keen to impart to claimants, and to publicise more widely.

Receiving the uplift

A large group of participants reported that they did not get, or had not noticed, any increase in their UC payment, or said that the additional amount they received was less than £20 per week

A large group of participants reported that they did not get, or had not noticed, any increase in their UC payment, or said that the additional amount they received was less than £20 per week. Some working people also said that their entitlement to other forms of means-tested help decreased following the introduction of the uplift.

Thirty participants did not notice an increase in their UC payment, compared with 23 who did. Three were unsure. Twenty-one of the 30 participants who did not notice an increase were living in a household in which someone worked.

One factor underlying this could be couples' household financial management and banking arrangements. In some couples, one partner was aware of the £20 uplift and the other was not. Generally, the partner with main responsibility for household budgeting (typically the woman) was more aware of the uplift than the partner with less responsibility (typically the man). Differences in couples' responses also reflect the fact that UC is a single monthly award paid into one bank account. Sometimes the person who received the UC payment was aware of an increase, while the other partner was not.

Three families were also affected by the benefit cap. Already receiving the maximum level of financial support, they would not have been eligible to receive any additional entitlement as a result of the uplift in the absence of a relevant change of circumstance.

Effect of earnings on the impact of the uplift

No apparent increase, or an increase in the UC payment that was lower than £20 per week, also reflects the way in which UC is assessed and calculated, with the award tapered away with monthly earnings.

Twelve of the 34 households said that their UC payments varied from month to month, mainly due to fluctuating earnings. Month-to-month variability of the UC payment made it hard to ascertain whether any uplift had been received or the amount that was paid:

> *I didn't even notice [the uplift] to be honest ... because it doesn't say that on the statement ... because his wage ... can be different every month, I never really know what we're going to get UC, it doesn't stay the same ... [The difference varies] between £50 and £100.*
> **Female partner in single-earner couple with children**

A lack of information on the UC statement to draw claimants' attention to the uplift contributed to this difficulty. Not being able to see or 'feel' the uplift via an evident increase in the UC payment served to reduce its perceived value and benefit for some:

> *I was told … it was increasing, but I didn't feel it or like notice it … I don't even know if I did [get it] because I never get a set amount every month to notice if it went up.*
> **Female working lone parent**

Effect of deductions on the impact of the uplift

Deductions taken at source from a UC payment, to repay advance loans, benefit and tax credit overpayments and other debts, could also serve to reduce or eliminate the perceived value of the £20 uplift. As part of the Government's package of Covid-19 support measures, some deductions were suspended for a temporary period at the start of the pandemic, although deductions for advance loans continued as before. Twenty-one of the 34 households (62 per cent) were having deductions taken from their UC payment for debts other than an advance loan. However, only 12 participants said that they had noticed a break in the recovery of these debts. Those who did benefit from the easement felt that the respite was all too brief.

What they spent the uplift money on and the difference it made

For participants who said they had received the £20 uplift (whether in whole or in part), what they spent it on and whether they felt it made a difference largely depended on the level of household earnings and other income, and whether household expenditure had risen or fallen due to the pandemic. In working households and among people who had been furloughed, or were now working from home, the combination of reduced travel to work costs and fewer opportunities for non-essential spending meant that household finances often improved. A higher UC payment and fewer spending opportunities enabled some working families to put aside small savings for the first time.

More typically, non-working couples and families with children for whom UC was their main or only source of income were more likely to report that being confined indoors for long periods and home schooling had increased their living costs. The uplift had often therefore made a significant difference to these families.

Five couples were affected by the two child limit and used the uplift to help compensate for the loss of the child element for the third child. However, even with this extra money, they struggled to meet the family's basic needs.

Families and couples with the lowest incomes who relied on UC were most concerned about how they would cope if the allowance reverted to pre-pandemic levels. In the main, though grateful for any extra money coming into the household, many felt that the uplift did not make a sizeable difference to the overall inadequacy of benefit rates or compensate for the low level of household income on which they had to live.

Conclusions and policy implications

Increasing the standard allowance in UC by £20 per week for all new and existing claimants might have been expected to receive an unambiguously positive response from the people entitled to the increase and intended to benefit from it. However, our findings showed that, whether participants knew about the uplift, whether they felt it actually increased the amount of UC they were paid or their income overall, and whether they benefitted in the manner often envisaged – with an extra £86.67 per month going directly into their bank accounts – varied significantly depending on their circumstances. While those reliant on UC as their main or only source of income spoke about the critical difference having an extra £20 per week to spend had made, those in work were more likely to report that there had been no noticeable increase in their payment, or that they had been paid much less than the publicised amount.

Automatic adjustment of the UC payment in real time could serve to obscure, conceal or reduce the visibility and financial impact of the £20 uplift, particularly among working claimants

Both the diversity in reported experiences of the £20 uplift, and the variability in financial impacts, testify to the hidden complexity which lies at the heart of the UC payment. In UC, the sum of money to which claimants are entitled, in terms of the standard allowance and the various elements of UC, and the payment they actually receive each month, can often be two very different amounts. Moreover, what claimants receive in any one month is no guarantee of what they will get in the next. For UC claimants who are employed or self-employed (around 40 per cent of current live claims), net earnings reduce entitlement by 63 pence for each pound of net income above any work allowance to which they may be entitled. A similar proportion of all UC claimants (around 40 per cent) have deductions from their award for advance loans, benefit and tax credit overpayments and third party debts, which can also significantly reduce the amount of UC that is actually paid.

We hesitate to call these effects 'unintended' or 'design flaws' because, in the main, they reflect how UC is intended to work. However, these findings do call into question some of the key assumptions underlying the benefit's design – including the way in which monthly assessment and calculation of the single monthly payment are intended to increase the transparency of the relationship between benefit entitlement and the financial rewards from working. In this research, automatic adjustment of the UC payment in real time could serve to obscure, conceal or reduce the visibility and financial impact of the £20 uplift, particularly among working claimants. And while for some

people the £20 uplift was a lifeline, it did not eliminate the financial hardship experienced by the poorest couples and families with children who relied on UC as their main or only source of income. Overall, people regretted the temporary nature of the uplift and strongly felt that it should continue long term because, without it, many believed that they would struggle financially even more:

> *I did hear that [it was temporary] … I think once they give it, they've got to carry on … Because I just feel like people are just going to struggle again.*
> **Female partner in single-earner couple with children**

As others have noted, the uplift might also have benefitted from better targeting. Paying the same flat rate of increase to all types of claimant, regardless of their circumstances, means proportionately less financial support for families and those with additional needs. A sum of £20 is worth significantly more to a single claimant with no children or housing costs, compared with a family with children living in a privately rented house, and no uplift was applied to the child or disability elements of UC. Nor does the flat rate take into account the generally higher living expenses families with children face arising from the pandemic. Finally, only one UC payment is made to couples. Not only is this worth proportionately less than the same payment is to single people, but there is no guarantee that both partners will have access to or benefit from the £20 uplift.

To be clear, none of these points is intended to suggest that an increase in the standard allowance was not welcome, or that claimants did not benefit. The case for retaining and extending the £20 per week uplift remains compelling. Given the severity of cuts to social security and historically low levels of benefits prior to the pandemic, any increase in rates is to be welcomed. Many more people would have struggled harder to cope without the uplift. The uplift is withdrawn from payments of UC from mid-October 2021 onwards. The implications of the removal of the uplift will become more apparent over the coming months. Nevertheless, it is important for those lobbying for change, and for policymakers, to be clear about the variable effects on income levels for individuals and families in different sets of circumstances. In the context of UC's design, the £20 uplift may also provide some claimants with less financial support and income security than is generally assumed by politicians, analysts and commentators.

Alongside a case for increasing the adequacy of benefit rates, what these findings add to existing research is a clearer understanding of how people with low and insecure incomes – both in and out of work – experience and perceive the function and value of social security payments. Increased responsiveness to changes in personal circumstances and to income and earnings in real time make UC a much more unpredictable and unreliable benefit than its predecessors. What mattered most to our research participants to their income security and living standards, and to their financial well-being, was not so much

their UC entitlement, understanding the link with earnings or how the award had been calculated, but the amount and reliability of the payment. A payment that can, and often does, change each month at short notice also has implications for claimants' legal rights and access to justice. Not knowing how much you are entitled to or will receive each month makes it hard to know whether the payment decision is correct. With potentially a quarter of the UK working-age population likely to be claiming UC when fully implemented, these are findings that politicians and policymakers would do well to heed.

1

Introduction

Delivered by the Department for Work and Pensions (DWP), universal credit (UC) is the UK's single, 'digital by design' working-age benefit, intended to simplify the benefit system and incentivise work and higher earnings for low-income individuals and couples both in and out of work. Designed to mimic earnings and receipt of a monthly salary, UC replaces six means-tested benefits and tax credits,[1] amalgamating payments for adults, together with additional elements for housing costs, children, disability, caring and childcare costs, where relevant, into a single, means-tested award, usually paid monthly in arrears, into one nominated bank account per eligible individual or couple. For claimants on the Government's PAYE (pay as you earn) system for income tax, a single taper (currently 63 per cent) automatically adjusts the monthly payment as earnings rise or fall. Self-employed people and those with earnings below the National Insurance and/or PAYE thresholds, are required to submit details of their earnings using the online account. Parents and some people with disabilities or health conditions are entitled to an earnings disregard – known as a 'work allowance' – before the taper is applied.[2] With assessment and payment in arrears, there is a minimum five-week wait at the start of a new claim before any award is paid – an elapsed calendar month for earnings and other income, and any other changes of circumstances, to be factored into the calculation for payment, and up to a week for the money to be transferred. New claimants in need of financial support can apply for a repayable loan – known as an advance – to tide them over until the first payment is made. Existing claimants of Housing Benefit and means-tested Jobseeker's Allowance (JSA), Employment and Support Allowance (ESA) and Income Support (IS) are also entitled to a two-week run-on of these benefits at the start of the UC claim.

In February 2020, 2.6 million people were claiming UC. A further three million claimants of legacy benefits and tax credits were waiting in the wings, ready to migrate 'naturally' to UC or to be migrated in a process known as 'Move to UC'. Prior to the pandemic, a projected seven million households were expected to be claiming the benefit when UC was fully implemented in 2024 (Kennedy and Keen, 2018). Then in March 2020 came Covid-19. Between March and May 2020, the Department received 2.4 million new claims from households to Universal Credit, with a peak of over 100,000 a day (DWP, 2020).

Intended to mitigate the worst effects of job loss, sickness and reduced income as a result of the Covid-19 lockdown and pandemic, a £20 weekly increase in the standard allowance rates of UC and the basic allowance of Working Tax Credit[3] was introduced in April 2020.

1. These are: income support (IS), income-related employment and support allowance (ESA), income-based jobseeker's allowance (JSA), housing benefit (HB), child tax credit (CTC) and working tax credit (WTC).

2. As of April 2021, the monthly UC work allowance before the taper is applied is £293 if the payment includes housing support, and £515 if there is no housing support.

3. Working Tax Credit is one of the in-work benefits that UC is replacing.

The UC standard allowance is the monthly amount of benefit paid to eligible single people and couples.[4] Equating to an additional amount of up to £1,040 per annum (or £86.67 per calendar month), the uplift came on top of removing the freeze on most working age benefits, with an immediate 1.7 per cent increase – the first since 2015. However, there was a sting in the tail: the £20 uplift would be temporary, lasting only until 31st March 2021. Nor did the increase apply to (means-tested) legacy or contributory benefits, including contributory Jobseeker's Allowance and Employment and Support Allowance, or to Carer's Allowance, Child Tax Credit or other benefits. No sooner had the announcement been made than analysis of the impact, and lobbying in favour of extending the uplift beyond the proposed end date, and to other benefits, began in earnest.

Research conducted by academics and policy think tanks using econometric techniques to model the distributional effects of the £20 uplift, and of its withdrawal, provides strong support in favour of making the increase permanent. However, few studies have investigated the actual empirical effects of the uplift as experienced in real time by the individuals and families who are the intended beneficiaries. Our qualitative, longitudinal research, entitled *Couples balancing work, money and care under the shifting landscape of Universal Credit* (2018–2021), ESRC ES/R004811/1, charted the lived experience of UC claimants in two waves of interviews, two years apart, between 2018 and 2020.

The wave two interviews, conducted in September and October 2020, explored what had happened in the intervening period and how well individuals and families were managing in the context of the Covid-19 pandemic and the suite of emergency measures put in place by the Government. Asking about the £20 uplift, we were surprised when many participants told us that they were not aware of or had not noticed an increase. Others said that they had been paid much less than the publicised amount. Some even said that their UC payment had decreased since the uplift was introduced. In his statement to parliament on 8th December 2020, Will Quince MP, then Under Secretary of State for Work and Pensions, confirmed that all new and existing UC claimants were eligible for the extra £20 per week[5] (Hansard, 2020: 9P), so what accounts for these findings? Drawing on our wider study, this paper explores claimants' different experiences of the £20 uplift with reference to the hidden complexity and inherent income insecurity that lie at the heart of UC.

4. As of April 2021, the monthly standard allowance rates of UC are: single and under 25 – £344; single and 25 or over – £411.51; couples, both under 25 – £490.60; couples 25 or over – £596.58.

5. The only exception is households affected by the benefit cap. This limits the maximum amount in benefits that some working-age claimants can receive in total, even if their full entitlement would otherwise be higher. Those affected by the benefit cap would not receive the £20 per week increase if their total benefits payments are already at the maximum level of entitlement (or would receive less if the uplift took them to the cap). The cap amounts to £23,000 per annum for couples and single parents who live in Greater London and £20,000 per annum for those who live outside Greater London (or £15,410 and £13,400 respectively for single people).

The paper is structured in three further sections: the next section summarises recent UK debate and analysis following the introduction of the uplift; we then present findings from our qualitative research; and finally, we discuss the policy implications.

Universal Credit, the Covid-19 pandemic and the £20 uplift to the standard allowance

The increases in benefit rates were part of a wider package of emergency measures put in place by the UK Government to support household incomes and help maintain living standards during the unprecedented economic and health crisis caused by the Covid-19 pandemic

Announced by the Chancellor, Rishi Sunak, in the Spring Budget 2020 and costing an extra £6 billion for the 2020–2021 tax year, a £20 per week uplift in the standard allowance of UC, alongside a £20 increase in the basic weekly rate of Working Tax Credit, was introduced by the UK Government as a temporary measure from April 2020. At the same time, the Government lifted the freeze on working-age benefits. Between 2015–2016 and 2019–2020, virtually all working age benefits had been frozen at their 2015–2016 cash value,[6] and before that, from 2013–2014 to 2015–2016, increases had been limited to 1 per cent per annum. Financial help with private sector rental costs was also realigned with local rent levels in April 2020, the link having been broken in 2011.[7] The £20 uplift per week, alongside the annual benefit uprating of 1.7 per cent, meant that from April 2020, the UC standard allowance for couples (aged over 25) increased from £498.89 to £594.04 per month – a 19 per cent increase, of £95.15; and for single people, rose from £317.82 to £409.89 per month, a substantial 29 per cent increase, of £92.07. These increases in benefit rates were part of a wider package of emergency measures[8] put in place by the UK Government to support household incomes and help maintain living standards during the unprecedented economic and health crisis caused by the Covid-19 pandemic.

Since the announcement was made there has been a flurry of analyses and political and public debate. As the uplift provides targeted financial help to some of those households who live on the lowest incomes, much of the subsequent debate and analysis argued strongly in favour of retaining the increase either until the end of the pandemic or permanently. Pointing out that the uplift does not apply to the vast swathe of people still claiming legacy benefits, many further

6. The only exceptions were disability and carer's benefits and related elements.

7. The link between local rents and the maximum amount of housing support available to low-income private renters – known as the Local Housing Allowance (LHA) – was broken in 2011 as part of the Coalition Government's programme of austerity cuts. LHA rates were frozen in April 2012, and increased in line with inflation, rather than rent increases, from April 2013. In 2014 and 2015, rates were increased by a maximum of 1 per cent. The link was re-established on 1st April 2020. This means that the maximum housing support level is intended to cover the rent of 30 per cent of rents in the local private rental sector. Many private renters therefore continue to face a rent shortfall, despite qualifying for help. (Wilson and Hobson, 2021).

8. These include the Coronavirus Job Retention Scheme (CJRS) (furlough) and the Self-Employment Income Support Scheme (SEISS), together with changes to statutory sick pay and other benefits, and process changes to UC.

made the case that, far from being withdrawn, the £20 per week increase should be extended to the legacy system (as well as to other social security benefits).

The comment and lobbying to extend the uplift beyond six months included cross-party support (JRF, 2020a and b). Conservative politicians, members of the House of Lords, and the Labour Party called for the £20 uplift to be retained permanently. The wider public generally agreed. A Health Foundation survey of 2,000 people in November 2020 indicated that 59 per cent of respondents supported a permanent increase (Ipsos Mori, 2020).

The Government initially remained steadfast. In December 2020, a House of Commons debate was held to address the concerns raised. Confirming the Government's commitment to supporting people on lower incomes, Will Quince MP (DWP Minister) reiterated that the temporary measure was intended for people "facing the most financial disruption as a result of the pandemic", but made a commitment "to review [their] decision early in the new year in the light of the latest economic position and greater clarity regarding the health situation". Benefits would also be uprated again in April 2021 (Hansard, 2020).

Calls to retain the uplift continued (APPG, 2021; House of Commons Work and Pensions Committee, 2021) and, in the Spring Budget of 2021, the Government capitulated and announced that it would extend the £20 uplift for UC claimants, but only by six months, to end in September/October 2021, at around the same time as the Coronavirus Job Retention Scheme (furlough). Recipients of working tax credit would instead receive a one-off lump sum payment of £500.

This extension was widely welcomed but failed to end the lobbying and debate. The government had not made an impact assessment of the removal, on the grounds that this was a temporary measure. But others were making estimates. For example, the Joseph Rowntree Foundation estimates that the cut will affect 5.5 million families on low incomes and risks pulling 500,000 people into poverty, including 200,000 children (JRF, 2021). Policy in Practice (2021) estimates that 683,000 households would not be able to meet their essential living costs. And the cross-party and wide-ranging opposition continued to make a strong case, including ministers from the devolved governments, six former Conservative DWP Secretaries of State (who wrote an open letter to the prime minister, arguing for maintaining the level of funding) and the 'keep the lifeline' campaign organised by the Joseph Rowntree Foundation, as well as widely supported press and social media comment (Mackley et al., 2021; Winchester, 2021).

In response, the Government reiterated the argument that this was always intended as a temporary increase, that there are other measures in place to provide support, that their policy focus is on work rather than benefits, and that claimants could make up for the loss by working extra hours (Thérèse Coffey MP, DWP Secretary of State on BBC News, September 2021). The uplift will be withdrawn from payments of UC in mid-October onwards.

2

Research Findings

To date, most research and analyses about the £20 uplift have used econometric and microsimulation techniques to model the financial impact of retaining or reversing the increase on different categories of individuals and households. Here we examine how the effects of the uplift were actually experienced in real time by the intended beneficiaries. Drawing on a three year, two wave, ESRC-funded longitudinal, qualitative research study exploring work, care and household financial management decisions in couples and families with children, this section presents empirical findings for how the £20 uplift was experienced and responded to by UC claimants themselves. Findings are drawn from a sample of claimants who were currently claiming, or had previously claimed, UC (and/or other means-tested benefits or tax credits) as a couple. Some also had experience of claiming UC as a lone parent or single claimant. Interviews focussed on longer-term experiences of UC beyond the application claim process and initial wait for payment.

Research methods and sample

The research charted the lived experience of UC claimants, with and without dependent children, during two waves of interviews, two years apart, in 2018–19 and 2020. Between June 2018 and January 2019, 123 face-to-face individual and joint interviews were conducted with UC claimants in 53 households, in four areas in England and Scotland. Thirty-nine of these households had dependent children (30 couples and nine lone parents). All but one of these had a child or children under the age of 12 and for 28 households this included at least one pre-school aged child. In 29 of the 53 households, no-one was in work, while in 24, there was at least one earner. For 31 households, UC was the main source of income. Forty-one of the households contained couples. Of these ten were dual-earner couples, 13 were single-earner couples, and 18 were couples with no earners. Among the 30 couples with dependent children, one partner was only earning in 12, and in nine, both partners were working. In the remaining nine couples with dependent children, neither partner was working.

Participants were recruited using a combination of local outreach, door-to door methods and social media. This resulted in a diverse sample, including many claimants in paid work or recently employed. Many had previously claimed Working Tax Credit and some had incomes at the upper end of eligibility for UC. They had not generally approached organisations for help or advice on problems with the UC claim. Interviews focussed on longer-term experiences of UC beyond the application process and initial wait for payment.

In September and October 2020, we successfully re-contacted and re-interviewed 63 participants out of the 90 originally involved. Telephone interviews[9] explored what had happened in the intervening two years, and how well participants and their families were managing in the context of the Covid-19 pandemic and suite of emergency income support measures put in place by the Government. Of the 63 participants (in 39 households) at wave two, 56 were still claiming UC and so entitled to the uplift. They were asked what they knew about the £20 weekly uplift, whether they thought they had received it, what difference if any the uplift had made, and how the money had been spent. Using verbatim quotes, the following section presents the different experiences of these 56 research participants (in 34 households) still claiming UC at wave two. All had been claiming UC for between two and five years. Twenty-one of the 34 households comprised couples with children (nine were single-earner, seven dual-earner and five were non-earner); four were couples without children (three non-earner and one single-earner), six were lone parents (five non-earner and one working) and three were single claimants (all non-earner).

Claimant experiences of the £20 uplift uplift to the standard allowance

Knowledge of the uplift

Most participants in this research found out about the uplift from the researcher during their wave two interview

We found generally low levels of knowledge about the £20 uplift. Of the 56 participants, less than half said they were aware of the uplift (25/56); over half (31/56) were either not aware (28/56), or not sure (3/56). Just over half of the women (55 per cent) were aware of the uplift (n=18) compared to only 30 per cent of men (n=7). Only two participants mentioned the £20 uplift unprompted. Indeed, most participants in this research found out about the uplift from the researcher during their wave two interview:

> *It's nice when we do talk to you because we don't know no different .. You don't get informed of anything ... the only time you get [contacted] is when they want something ... I didn't have a clue [about the uplift].*
> **Female non-working lone parent**

Knowledge was greater among couples in which neither partner was in paid work, and much lower in couples in which at least one partner worked. Of the 28 participants *not* aware of the uplift, 19 (68 per cent) were in couples with at least one earner and nine (32 per cent) were

9. Remote, rather than face-to-face, interviews had to be conducted due to the Covid-19 pandemic.

in couples in which no-one was working. Among the 25 participants who *were* aware of the uplift, slightly fewer were in working households (12/25) compared with non-earner households (13/25).

Participants who said that they had not heard about the uplift were asked to consider why this might be the case. The most common response was that no-one (from the Department for Work and Pensions (DWP)) had notified them about any increase.

> *I did not know that … No-one has made this known, no-one had told us, didn't hear anything on the news about that, nothing.*
> **Female partner in non-earner couple with children**

This finding is corroborated by people who *were* aware of the uplift; none of them said they had found out about the £20 per week uplift from the DWP. Nor had any of them heard about the uplift from television, newspaper or radio reports. Most found out by chance, after noticing that their payment had increased.

> *We didn't look into this at the time but … I feel like we're getting a lot of money here, like a lot more than normal, and then it turns out we actually were. Everyone got an extra something, like, £20 a week, I didn't realise this and that's why it felt like, wow, we're getting, like, nearly £100 more a month!*
> **Female partner in dual-earner couple with children**

Some found out about the uplift through family or friends:

> *My grandpa was watching summat [on] telly about that and I asked my friend and my friend said she don't get it because she gets the benefit cap.*
> **Female partner in single-earner couple with children**

Several others found out via social media:

> *I only found that out through Facebook … I didn't get any notification from, like, UC or anything to say, like, your money's going up … It's called UC Essentials … one of them posted on there, 'is it true that UC's going up by £100?' And then I just looked on the comments and everyone was saying yeah, and then the woman said what date it would start going up, and then it was on my next payment, so I was like, ah!*
> **Female non-working lone parent**

Had this participant not found out through Facebook, she said she might otherwise have assumed that the increase in her payment had been made in error, and would need to be repaid:

> *That would have really confused me if I didn't know … I would have ended up ringing them, like, 'are you going to ask for this money back?' Because that's the worst thing ever isn't it, if they put extra money in your account and you spend it and then [have to pay it back].*
> **Female non-working lone parent**

Asked whether they checked their statements, or looked at the breakdown, many participants said they did not; rather, they only took notice of the payment made into their bank account:

> *I didn't really check if I'm honest. The only thing I checked was to see what we were getting but I didn't go through the breakdown and see what we were getting and why we were getting it, if you see what I mean … [I had] no idea, genuinely no idea.*
> **Male partner in non-earner couple with children**

Participants testified to a general lack of payment-related knowledge, information and communication from the DWP – a finding reflected in the wider study:

> *Definitely wasn't aware of that, no … I'll be honest, I wouldn't be at all surprised if half of the DWP didn't know about that either.*
> **Male partner in non-earner couple with children**

To many, that they had not been officially informed or contacted about the uplift therefore did not come as a surprise:

> *You don't get informed of anything new or any changes.*
> **Female non-working lone parent**

Some were perplexed as to why the DWP did not use the opportunity to communicate or publicise the £20 increase in the standard allowance to the people intended to benefit, as a good news story:

> *I don't know why they didn't tell us! You'd think they would brag about that wouldn't you? Like, 'we're giving you extra money!' But no they didn't at all, we didn't know until … literally about a week ago that [my partner] told me … I mean it's … a pleasant surprise.*
> **Female partner in non-earner couple with children**

Did not notice an increase

Another large group of participants said that they did not get, or had not noticed, any increase in their payment, or said that the additional amount they received was less than £20 per week. Thirty participants did not notice an increase in their UC payment compared with 23 who did. Two people were not sure and another said that they "sometimes" got more. Twenty-one of the 30 participants who did not notice an increase were living in a household in which someone worked.

One factor underlying this could be couples' household financial management and banking arrangements. In seven of the couples interviewed at wave two, one partner in the couple was aware of the £20 uplift and the other was not. In couples in which one partner (typically the woman) had more responsibility for household budgeting than the other, the partner with less responsibility (typically the man) was more likely to be unaware of any increase in the allowance.

> *I actually haven't [noticed], no ... Basically [my wife] ... she's the one who takes care ...of all the bills and budgets the bills and shopping. She does all that.*
> **Male partner in dual-earner couple with children**

Sometimes the person who received the UC payment was aware of an increase, while the other partner was not

Differences in couples' responses also reflect the fact that UC is a single monthly award paid into one bank account. Sometimes the person who received the UC payment was aware of an increase, while the other partner was not. One participant, whose partner was the UC payee and had stated in his interview that the couple had received the uplift in full, said that she had no knowledge of any increase in the payment:

> *I've not noticed any [increase] but saying that, I don't look at our accounts ... But I haven't noticed any extra money coming in to the household! Otherwise I'd be buying steak and not chicken!*
> **Female partner in non-earner couple, no children**

Three families were also affected by the benefit cap. Already receiving the maximum level of financial support, they would not have been eligible to receive any additional entitlement as a result of the uplift in the absence of a relevant change of circumstance.

Effect of earnings on the impact of the uplift

Different impacts of the uplift, including a lower than £20 per week increase in the UC payment, reflect the way in which the payment is calculated, with the award tapered away with monthly earnings. Some working participants who said that they had received less than £20 per week had a clear understanding that earnings would reduce the uplift by some proportion:

Because … I was earning £500 and something a month … Well the Government give us the £86 UC and the Government took it back again! … [We got] about twelve quid.
Male partner in single-earner couple with children

Others appeared less certain:

When you said about 'were [we] getting the … £20 extra,' would they have told us that? Because I don't think we got the extra, because we were getting sort of the same [amount]… It wasn't a lot more money, it was, like, an extra twenty, thirty quid a month extra … I've no idea [why].
Male partner in single-earner couple with children

On the other hand, some people who clearly understood the taper and resulting withdrawal rate were nevertheless unaware of the uplift. One participant, who noticed an increase in their UC payment, only discovered that it might have been due to the £20 uplift when told about it by the researcher:

My employers notify them my earnings and they deduct my wages from that … they take 63p for every pound I earn … The thing is, what I'm finding now, since I've got back into proper work now, I'm getting more UC that what I was … I don't know why!

[Researcher: The UC allowance has gone up by £20 a week.]

I wish I knew that! … Well, I wasn't aware of that!
Male partner in single-earner couple, no children

Month-to-month variability of the UC payment, due to fluctuating earnings, also made it hard to ascertain whether any uplift had been received and to gauge the amount that was paid. Twelve of the 34 households (35 per cent) in the wave two sample said that their UC payments fluctuated from month to month, obscuring the visibility of any uplift:

I didn't even notice to be honest … because it doesn't say that on the statement I don't think … because his wage … can be different every month, I never really know what we're going to get UC, it doesn't stay the same … [the difference varies] between £50 and £100.
Female partner in single-earner couple with children

A lack of information on the UC statement, to draw claimants' attention to the uplift, was said by some participants to have contributed to this difficulty:

> *They're that inconsistent anyway … I never get the same payment … It doesn't specifically say an increase or anything on my statement.*
> **Female partner in dual-earner couple with children**

Not being able to see or 'feel' the uplift via an evident increase in the UC payment served to reduce its perceived value and benefit:

> *I was told … it was increasing, but I didn't feel it or, like, notice it … I don't even know if I did [get it] because I never get a set amount every month to notice if it went up.*
> **Female working lone parent**

Effect of deductions on the impact of the uplift

Deductions taken at source from a claimant's UC payment could also serve to reduce or eliminate the perceived benefit of the £20 uplift

Deductions taken at source from a claimant's UC payment, to repay advance loans, benefit and tax credit overpayments and other debts, could also serve to reduce or eliminate the perceived benefit of the £20 uplift. An increase in the standard allowance would result in higher deductions, since these are calculated as a percentage of the allowance. As part of the Government's package of Covid-19 support measures, some deductions were suspended for a short period at the start of the pandemic. However, deductions for advances continued as before:

> *Somewhere around £120, £150 a month [is deducted]. It's been a continuous thing [during the lockdown] to be honest.*
> **Male partner in non-earner couple with children**

Twenty-one of 34 households (62 per cent) were having deductions taken from their UC payment for debts other than an advance loan. However, only 12 participants said that they had noticed a break in the recovery of these debts:

> *We were meant to get an extra £100 … but it came off on the other hand, so they were giving it us out in one and taking it off … Like, we're still paying our tax credits debt … The deductions never stopped but they did say … something about deductions stopping but ours never did.*
> **Female in non-earner couple with children**

Those who did benefit from the easement felt that it was all too brief:

> *Because of the coronavirus, they stopped taking money out of people's benefit. So that was over that period. They've only just started taking money again … We got another advance payment in April this year and we've been paying that back … that's a lot of money for us.*
> **Female in non-earner couple with children**

Others said they benefitted only in part, or for shorter periods than they were expecting:

> *I don't think my budgeting advance [stopped], but my water bill did … But then that was only for a month.*
> **Female non-working lone parent**

Some participants whose deductions had been temporarily suspended during the pandemic said they were not aware, and had not been notified, that they would restart so soon:

> *We had social fund loans, before we were working, many years ago, and they've taken it direct out of our UCs … but they stopped it during the pandemic … then they never contacted us to let us know it was restarting again … They've taken £198 out this month! … They never notified [us], there was nothing, they just started taking it again … It's very hard because I contacted UC … on my journal … I got a message back saying, we can't deal with this, it's debt management … It took me fifty odd minutes to get through … He just said, no it's too late, sorry … We've been to food bank this month … it's just a nightmare.*
> **Female partner in dual earning couple**

Interaction with other means-tested help

Some working people noticed that their entitlement to other forms of means-tested help decreased following the introduction of the uplift. One participant was notified of a large increase in their council tax monthly instalments, although he was unsure as to the reason why:

> *The only thing I noticed [during the lockdown] was Council Tax started raising for some reason … which I thought was strange … We've received a letter and it was saying what instalments you owe for the Council Tax … It was a lot higher than the year before … For each month, I think it was, like, an extra £40 to £50.*
> **Male partner in dual earner-couple with children**

Sometimes participants' rent had increased at the same time as the uplift and changes to the way in which financial help with housing costs were introduced, making it hard for people to separate out the different effects:

> *It wasn't drastic, I think it was, like, an extra £26 a month ... We did have a slight increase, but that's because the rent went up. I don't think we've had any, like, extra.*
> **Male partner in non-earner couple, no children**

Those whose UC housing element was paid direct to their landlord also found it difficult to work out the net effect on their payment of a £20 per week increase in the standard allowance:

> *My rent went up, so I don't [get] the extra £20 ... I think I got it ... a month – the £20 – rather than a week ... I'm not sure if that's because my rent went up or if my allowance went up, if that makes sense?*
> **Female non-working lone parent**

People who may have finished repaying an advance or budgeting loan at the same time the uplift was applied similarly found it hard to work out what the net effect on their payment would be:

> *I've just seen they've increased my UC another £100 ... I haven't looked into it but I will, because they are saying that some people are going to get an increase and I thought ... I'll go and have a look at mine, and I thought, 'oh maybe I've paid off ... the loan that I had with them' ... and they're giving me towards more of my rent.*
> **Female non-working lone parent**

What they used the uplift money for and the difference it made

Those for whom UC was their main or only source of income were more likely to say that their living costs and spending had increased due to the pandemic

For participants who said they had benefitted from the uplift (whether in whole or in part), what they used it for or spent it on, and whether they felt it made a difference, largely depended on the level of household income and earnings and whether household expenditure had risen or fallen due to the pandemic. Those for whom UC was their main or only source of income were more likely to say that their living costs and spending had increased due to the pandemic. The uplift had therefore often made a significant difference. Working households, on the other hand, often reported that their costs and spending had decreased, particularly during the lockdown. This, together with the fact that earnings often reduced the net value of the uplift, meant that the impact was smaller.

> *There was a rise. It wasn't a substantial amount though, not really. But every little helps.*
> **Female partner in single-earner couple with children**

Some newly unemployed participants who had been continuously in work prior to claiming UC were shocked by the drop in income that their household had sustained, and the marked difference between earnings and out-of-work benefits. The uplift, though welcome, had done little to bridge the gap:

> *A little bit … of [difference], yeah … it's better than nothing … But it's still miles away from what I was earning … for eight or nine years.*
> **Male partner in non-earner couple with children**

In households in which people had been furloughed, or were now working from home, the combination of reduced travel to work costs and fewer opportunities for non-essential spending meant that household finances often improved:

> *I wasn't spending as much money on fuel getting to and from work. I wasn't buying food whilst I was at work on my breaks … I was just at home.*
> **Male partner in single-earner couple with children**

A higher UC payment and fewer opportunities for spending enabled some working families to put aside small savings for the first time although, once the first lockdown was lifted, household expenditure quickly reverted to what it had been before the pandemic:

> *The extra £100 a month … It helped out … we saved a lot of money during lockdown actually … because we weren't having unnecessary visits to the shops … I've noticed we're not saving as much as we were during lockdown.*
> **Male partner in dual-earner couple with children**

Non-working couples and families with children generally reported that being confined indoors for long periods and home-schooling children had increased, rather than reduced, their living costs:

> *So UC did increase … which again did help because … I had to go out and buy a printer to print out school work … and the electricity and the internet costs and the gas, all those costs, and especially my food shopping bill was sky high. So, the extra amount has helped.*
> **Female non-working lone parent**

Working claimants whose hours of work and earnings had significantly decreased as a result of the pandemic also found that they were struggling more:

> *You do get by from day to day … I'm struggling because I've got debts up to my eyeballs, because I've took a credit card out for £1,000 due to the coronavirus because … I lost £140 [per month] in my wages … so I thought, well, I need to find additional money to support us.*
> **Male partner in single-earner couple, no children**

Extra demands on parents to ensure that children's clothing was scrupulously clean and hygienic also generated additional expense, which the uplift helped to pay for:

> *The local authority have told us that they have to wear a clean, fresh set of uniform every day … to stop the spread of germs and the virus and … I knew well my electricity would go up and … I had to go and buy the extra uniform … That was helped by obviously getting this extra amount … that extra money came in handy for my son's uniform.*
> **Female non-working lone parent**

Five couples were affected by the two child limit. One family used the uplift to help to compensate for the loss of the child element for their third child. However, even with this extra money, they struggled to meet the family's basic needs:

> *Me and [partner] during lockdown were barely eating one meal a day because we had nothing, and it was just so the kids could have their meals … It was so bad … that I ended up speaking to my mum and dad, just saying, like, we're not coping, we need some help, and [they] stepped in and bought shopping every week. We're lucky to have that support … it was just unbearable … horrible.*
> **Female partner in non-earner couple with children**

In the main, though grateful for any extra money coming into the household, most participants felt that the uplift did not make a sizeable difference to the overall inadequacy of benefit rates or compensate for the low level of household income on which they had to live:

> *They were giving us an extra £20 a week through the pandemic, so that was nice … Initially it made a difference, we felt it, but then after a while it was, like, it's still not enough money.*
> **Female partner in no-earner couple with children**

Temporary nature of the uplift

Some participants were saving the additional money from the uplift in order to help to cover any emergency expenditure needed in the future

What participants did with the money and how they treated the additional income, if they were aware of getting it, often reflected the temporary nature of the uplift. Conscious that the £20 per week increase would soon be withdrawn, some chose not to use the money on day-to-day expenditure in case they became too reliant on it:

> *I've been coping better with it since they've added the £100 for the pandemic, but I know realistically that's going to be taken off soon … so I don't want to get too comfortable on it, for it to be then, like, taken, if that makes sense … I think it's going to be very difficult to then lose £100 … It makes a difference to, like, the food shopping and stuff.*
> **Female non-working lone parent**

To avoid this happening, where possible, some participants were saving the additional money from the uplift in order to help to cover any emergency expenditure needed in the future, such as replacing a broken washing machine or cooker:

> *The payments did go up, yeah, I noticed that … just when I can't spend anything, so I have been saving … [It's] the security of knowing that … if a white good breaks … I'd be able to buy a new one without worrying.*
> **Female partner in dual-earner couple with children**

Couples and families with no earnings and more reliant on the UC payment often had no choice but to include the money as part of their monthly household budget. Many worried about how they would manage once the uplift was withdrawn:

> *I did see that the increase that we got … through the Covid pandemic will stop in April … I didn't think obviously that was going to be forever … about £90 extra that we're getting on top, so I'm going to lose [that] … it's a big drop.*
> **Female non-working lone parent**

Having got used to the extra income, a common anxiety was how they would readjust to a much lower UC payment:

> *I think it's just a bit awkward giving it and taking it away, like I'll have to re-budget everything again which … will just be difficult while I'm, like, getting used to it.*
> **Female non-working lone parent**

Those for whom UC represented the only source, or a large proportion, of household income were most concerned about how they would cope when the allowance reverted to pre-pandemic levels:

> *They gave us an extra £80 a month … That's due to end around March or April next year … then I think I'll be struggling again to be quite honest.*
> **Female non-working lone parent**

One participant in another family which was subject to the two child limit worried about how they would manage to feed and clothe the new baby once the uplift was withdrawn:

> *You're spending more money online to get your shopping and … buying things to keep them all occupied … [The baby] took a growth spurt, the girls took a growth spurt, charity shops are shut, so you're spending more money at Asda or Tesco buying clothing … so it cost a lot more money … There was times that [partner] actually went without food, to provide for me and the kids … We've had to use a food bank quite often … Now I've got*

[third baby], that £20 a week helps towards getting her clothes and food for her. Once that's away, I'm going to be stuck with what I had before and I think I'd struggle a lot more.
Female partner in no-earner couple with children

Overall, people regretted the temporary nature of the uplift and strongly felt that it should continue long term because, without it, many believed that they would struggle financially even more:

I did hear that [it was temporary] … I think once they give it, they've got to carry on … Because I just feel like people are just going to struggle again.
Female partner in single-earner couple with children

3

Discussion and Policy Implications

Increasing the standard allowance in UC by £20 per week for all new and existing claimants might have been expected to receive an unambiguously positive response from the people entitled to the uplift and intended to benefit from it. However, as our research has shown, whether claimants knew about the £20 uplift, whether they felt it actually increased the amount of UC they were paid or their income overall, and whether they benefitted in the manner often envisaged – with an extra £86.67 per month going directly into their bank accounts – varied significantly depending on their circumstances. Although many felt that they had benefitted from the extra money, many others said that they did not notice an increase in the payment.

Those who said that they had received the uplift were grateful to have it but, whether they received the amount in full or only in part, it did not often make a meaningful difference to household incomes

Deductions taken at source from the UC payment, together with the tapering of entitlement due to earnings, often eroded the amount and perceived value of the £20 uplift. Those who said that they had received the uplift were grateful to have it but, whether they received the amount in full or only in part, it did not often make a meaningful difference to household incomes. Although the uplift may have allowed some claimants to repay their debts faster than might otherwise have been the case in the absence of the uplift, the downside was less benefit to spend precisely at a time when many were likely to be experiencing additional strain on their finances. And, while for some people the £20 uplift was a lifeline, it did not eliminate the financial hardship experienced by the poorest couples and families with children who relied on UC as their main or only source of income. While any increase in benefit rates is to be welcomed, the impact of the means-tested design of UC is such that the uplift may provided some UC claimants with less financial support and income security than is generally assumed by politicians, analysts and commentators.

Both the diversity in reported experiences of the £20 uplift and the variability in financial impacts testify to the hidden complexity which lies at the heart of the UC payment. Entitlement in UC is not necessarily a reliable indicator of what claimants are actually paid. Indeed, the sum of money to which claimants are entitled (based on UC standard allowance rates and one or more of various additional elements), and the payment they receive each month, can often be two very different amounts. Moreover, what claimants receive in any one month is no guarantee of what many will get in the next. Affecting around 40 per cent of all UC claimants,[10] deductions from the award for advance loans, overpayments and third party debts can significantly reduce the amount of UC actually paid. Deductions are also taken as a percentage of the standard allowance; so an increase in the standard allowance is likely to mean an increase in the amount deducted from the UC payment. Earnings, too, currently reduce entitlement by 63 pence for each pound of net earnings (above any work allowance)

10. "For UC claims due a payment in August 2020, 41 per cent (1,847,000 claims) had a deduction (excluding sanctions and fraud penalties)." DWP written question answered on 12th November 2020. https://questions-statements.parliament.uk/written-questions/detail/2020-11-09/113275

for the 40 per cent of claimants who are employed or self-employed. Making up £20 would require significantly more hours of work for earnings above any work allowance payable and, as our research shows, extra hours are often not available from employers (Griffiths et al., 2020).

We hesitate to call these effects 'unintended' or 'design flaws' because, in the main, they reflect how UC is intended to work. However, they do challenge the rhetoric of UC as "a nice, simple, straightforward benefit" (Lord Freud, former Minister for Welfare Reform, quoted in Sainsbury, 2014). Experiences of and responses to the £20 uplift also call into question some of the key assumptions underlying the benefit's design – including the way in which monthly assessment and calculation of the payment are intended to increase the transparency of the relationship between benefit entitlement and financial rewards from working, and thereby improve work incentives. In this research, monthly automatic adjustment of the payment in real time could serve to obscure, conceal or reduce the visibility and financial impact of the £20 uplift, particularly among working claimants. Transparency and understanding of the payment are key to the assumed behavioural effects of UC. If those in work found it harder to see or feel the net effect and value of the uplift, then the same may be true for changes in earnings.

Introduced in haste as an emergency measure in response to an unprecedented crisis, the uplift might have benefitted from better targeting. Paying the same flat rate of increase to all types of claimant, regardless of their circumstances, means proportionately less financial support for families and people with additional needs. £20 is worth significantly more to a single claimant with no children or housing costs, compared with a family with children living in a privately rented house, and no uplift was applied to the child or disability elements of UC. Furthermore, only one UC payment is made to couples. Not only is this worth proportionately less than the same payment is to single people, but there is also no guarantee that both partners will have access to, or benefit from, the £20 uplift. Nor does the flat rate take into account the generally higher living expenses experienced by families with children, due to home schooling for example. Important to acknowledge, too, is the limited information about payments provided by the DWP and the significance that word-of-mouth and social media often have as sources of claimants' knowledge and understanding about UC.

To be clear, none of these points is intended to suggest that an increase in the standard allowance was not welcome, or that claimants did not benefit. Many more people would have struggled harder to cope over the past year without this. The uplift is withdrawn from payments of UC from mid-October 2021 onwards. The implications of the removal of the uplift will become more apparent over the coming months. Nevertheless, it is important for those lobbying for change, and for policymakers, to be clear about the varying effects on income levels for individuals and families in different sets of circumstances. That many claimants did not gain financially from the uplift at all,

as much, or in the manner intended, suggests that some politicians and policymakers do not fully understand how UC actually works in real life settings.

There is some evidence of increased public support for positive measures to provide additional financial support to the many people struggling financially. Even before the pandemic, evidence was emerging of a softening of public attitudes towards claimants and social security expenditure. In 2018, the proportion of respondents who agreed with the statement 'many people who receive social security don't really deserve any help', at 15 per cent, was at a record low, while the proportion who disagreed (47 per cent) was as high as it was in the mid-1980s, before 'scrounger' and 'shirker' narratives began to take hold in the media and popular culture (Hudson et al 2020). Building on this, the impact of the COVID-19 pandemic could offer opportunities for a more generous benefit system (de Vries et al., 2021).

It is important to recognise that UC is but one of a number of social security measures with the potential to increase household incomes and reduce poverty

This said, as others have pointed out, it is important to recognise that UC is but one of a number of social security measures with the potential to increase household incomes and reduce poverty. Child Benefit has been subject to successive freezes since 2011. Paid to the mother or other main carer, and in full for the majority of families, Child Benefit was increased by 1.7 per cent in April 2020 – worth a paltry 35p per week for families with one child – and by 10p in April 2021. Long before the pandemic, low-income families with children had borne the brunt of the decade-long austerity-driven cuts to social security. A more substantial increase in Child Benefit is long overdue, would not be subject to the problems associated with monthly means testing in UC, and may be a more effective way of getting extra money directly into the pockets of more of the poorest families. Restoring the value and status of the contributory principle in UK social security (O'Leary, 2013), long de-prioritised and neglected in UK political and public discourse (Hick, 2020), is also attracting renewed academic and policy interest. A number of respected policy think tanks, including the Institute for Fiscal Studies and the Resolution Foundation, have called for a wider review of contributions-based benefits, and a recent call for written evidence to a Commission on the future of social security organised by Bright Blue also includes a focus on these (Bright Blue, 2021).

Alongside the issue of the (in)adequacy of benefit rates, what this research adds to these deliberations is a clearer understanding of how people with low and insecure incomes – both in and out of work – experience and perceive the function and value of social security payments. Increased responsiveness to changes in personal circumstances and to income and earnings in real time, combined with limited transparency, and also understanding – on the part of both claimants and DWP staff – about how the monthly payment is assessed and calculated, make UC a much more unpredictable and ultimately unreliable benefit than its predecessors. What mattered most to our research participants, to their income security and living standards, and to their financial well-being, was not so much their UC entitlement, understanding the link with earnings or how the award had been

calculated, but the amount and reliability of the payment. A payment that can, and often does, change each month at short notice also has implications for claimants' legal rights and access to justice. Not knowing how much you are entitled to or will receive each month makes it hard to know whether the payment decision is correct. With potentially a quarter of the UK working-age population likely to be claiming UC when fully implemented, these are findings that politicians and policymakers would do well to heed.

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