

**MOTION ON NOTICE**

City Council

**Universal Credit**

Universal Credit is a lifeline for the UK's low-income families. According to the Department for Work and Pensions in Plymouth the number of households claiming Universal Credit rose from 14,179 in March 2020 to 22,733 this May. of these 9,157 were families with children. Citizens Advice Plymouth say that the current figure is 27,078.

At the start of the pandemic, the Chancellor rightly said that he was introducing a £20 increase to "strengthen the safety net" – a tacit admission that cuts and freezes had left Universal Credit unfit to provide the support families – many of them working families - need.

Council notes that the £20/week Universal Credit uplift is to be cut on 1<sup>st</sup> October to the level it was at in early 2020. This is effectively the biggest overnight cut to the basic rate of social security since World War II and will pile unnecessary financial pressure on families, both in and out of work. Previous analysis by Citizens Advice shows £20 a week is equivalent to six days of energy costs or three days of food costs for a low-income family.

Council regrets that the Department for Work & Pensions has not published its assessment on the impact of cutting Universal Credit and Working Tax Credit as this does not allow for local planning to mitigate the impact of implementation of a national policy.

Council continues to be concerned that legacy benefits, such as Employment and Support Allowance, Jobseeker's Allowance and Income Support, continue to be excluded from this crucial improvement in support, mostly impacting people who are sick, disabled or carers.

Council notes that Citizens Advice Plymouth is offering support to those concerned about the new burden on their income, with free and impartial advice on help with debt, foodbank vouchers, and support with essential costs and extends its thanks to all the staff and volunteers who are supporting affected local people at this difficult time.

Recent research undertaken for Citizens Advice found that for every £1 that could be invested from the Levelling Up Fund in England, £1.80 would be taken from these local economies as a result of the removal of the £20 uplift to Universal Credit.

Council is concerned that the Chancellor's decision will remove over £28 million/year from the local economy – money that will now not be spent in local shops at a time when local businesses need customers in order to recover from the impact of the pandemic.

Council notes that it is not alone in these concerns and supports the 100 leading UK organisations who earlier this month wrote an open letter to the Prime Minister asking for the £20/week uplift to Universal credit to be maintained.

Council therefore agrees:

- That the Leader urgently write to the Chancellor raising Council's concerns as described in this motion and asking for the £20/week uplift to Universal Credit to be maintained
- That the Leader urgently write to Plymouth's MPs alerting them to the Council's concerns and asking them to raise these through parliamentary processes.
- That the Leader should publish these letters and subsequently any responses he receives.

- Task the Cross Party Working Group on Child Poverty to examine the impact of this on the children in the 9,157 families affected at its next meeting and publish the report of its findings.

**Proposed by: Councillor Chris Penberthy**

**Signature: Approved by email**

**Seconded by: Councillor Sarah Allen**

**Signature: Approved by email**