

# Coronavirus Briefing - Universal Credit



## What is Coronavirus and who's vulnerable?



Coronavirus disease (COVID-19) is a newly discovered virus that has spread to nearly every country in the world, causing a global pandemic.

In recent weeks, we have seen a steep rise in the number of applications made for Universal Credit due to the economic slowdown caused by Covid-19. Many people have lost their jobs or had their hours reduced, leaving them vulnerable to destitution and hardship. People who are self-employed, on low salary employment, on zero hour contracts, or

working in the gig economy, are particularly vulnerable at this time.

## What is the Government doing about Coronavirus?

In the wake of the Covid-19 outbreak, the Government has made a range of vital changes to Universal Credit, as well as the wider social security system, to help support people through this difficult time.

These changes include:

- increasing the value of Universal Credit's standard allowance. The standard allowance represents the part of Universal Credit that people can use to meet their daily living costs;
- suspending Universal Credit's minimum income floor. This means that people who are self-employed will be treated similarly to those who are employed when making a new claim;
- redeploying thousands of civil servants to help process Universal Credit claims in the wake of the rise in new claims; and
- suspending all requirements for face-to-face contact at jobcentres as part of the new claims process, as well as for in person assessments for sickness and disability benefits, for a minimum of three months.



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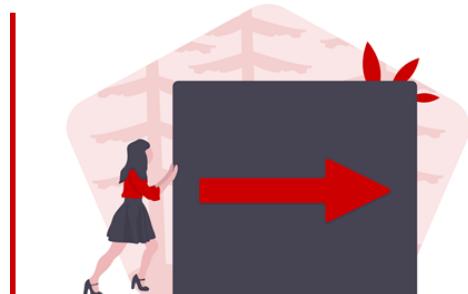
## What does the Government still need to do?

The Salvation Army welcomes the steps taken by government to ensure that Universal Credit is fit for purpose during this critical time. However, to ensure that these measures are as effective as possible, The Salvation Army is calling on the Government to go further still.

As a result, The Salvation Army is asking the Government to:

- put an end to the five week wait for a first payment of Universal Credit by turning advance payments into one-off grants for all new claims;
- relieve the pressure on existing claimants by suspending all current advance repayments for at least three months. This should be done in line with the Government's recent temporary suspension of the collection of benefit overpayments from existing claims; and
- prioritise arrangements to make it as easy as possible to process and manage claims for Universal Credit over the phone. This is particularly important as people without ready access internet are no longer able to use outside resources (such as libraries) to make and manage their claims.

## How can we sustain long-term progress?



The outbreak of Covid-19 has caused a radical shift in thinking about how best to support vulnerable people. As a result, we have witnessed swift and comprehensive changes that only concerted government action can bring about.

The need for a robust and generous social security system will be vital to rebuilding the UK's economy as quickly as possible once things return to normal.

Just as the Government will be expected to publish its plans on how to rebuild the economy following Covid-19, The Salvation Army believes that it should also publish a plan for ensuring that Universal Credit remains fit for purpose in the long term.

The first step towards this should be to remove the five week wait for a first payment of Universal Credit permanently. It should also consider how best to help new claimants deal with pre-existing levels of debt through the provision of an automatic 'Breathing Space' period.

The Salvation Army stands ready to assist government by continuing to share the evidence we have been and continue to collect about the roll out of Universal Credit and its impacts on vulnerable claimants. We hope this work will help see our shared ambition to ensure that Universal Credit works for all people fulfilled.