

20 July 2021

The Rt Hon Rishi Sunak MP,
Chancellor of the Exchequer

The Rt Hon Thérèse Coffey MP,
Secretary of State for Work and Pensions

Dear Rishi and Thérèse,

We are writing as the chairs of our Parliaments' relevant committees regarding the £20 per week uplift to Universal Credit and Working Tax Credit, which is due to end in October.

The UK Government did the right thing at the start of the pandemic to increase Universal Credit and Working Tax Credit to give better support to people during these incredibly challenging times.

This uplift has been a lifeline for millions of families, saving them from being impoverished and we welcomed its extension until October. We now hope you will consider making this uplift permanent and extending it to legacy benefits, which are disproportionately claimed by disabled people.

Ending the uplift would mean that the 6 million people claiming Universal Credit will lose £1040 in annual income overnight. The Joseph Rowntree Foundation has estimated that removing the uplift would force 500,000 people, including 200,000 children, into poverty.¹ Families on the lowest incomes, those with children and particularly single parents, BAME families, and families where someone is disabled are disproportionately affected.

Even with the uplift in place, the Foundation calculates families unable to find work are getting £1,600 less per year in social security support than they would have done in 2011.² Families with children are even worse off, receiving around £2,900 less than ten years ago.³ It is also worth remembering that we entered the pandemic with the main rate of unemployment support at its lowest level in real terms since around 1990, by removing the uplift you will return this form of support to its lowest level in 30 years.

You also risk removing this support from families at the very time unemployment is expected to peak, as the Coronavirus Job Retention Scheme comes to an end.

¹ Keep the lifeline: why the Government should keep the £20 uplift to Universal Credit, Briefing, Joseph Rowntree Foundation, January 2021, page 3: <https://www.jrf.org.uk/report/keep-lifeline-why-government-should-keep-20-uplift-universal-credit>

²Ibid, page 4

³ Ibid

Those on lowest incomes spend more of their income in their local area, thereby supporting the economic recovery.

Continuing the uplift is also an important preventative spend measure. By spending now on social security, saving people from poverty you will be saving more money long term on health, education, justice and other social services.

It is also clearly unfair that those in receipt of legacy and other related benefits have not received the same uplift. Their needs are just as great, the value of their social security support fell by just as much over the last decade and they have faced the same difficulties during the pandemic. Their support should be increased by an equivalent amount too.

As the cross-party conveners of the relevant committees, we hope that you will take seriously our view that the uplift should be extended. To give people the certainty and security they deserve it would also be helpful if you could make an early statement confirming your intention and we look forward to hearing from you.

Yours sincerely,

The image shows four handwritten signatures in black ink, arranged horizontally from left to right. The first signature is 'Neil Gray', the second is 'Stephen Timms', the third is 'Paula Bradley', and the fourth is 'Jenny Rathbone'.

Neil Gray MSP Stephen Timms MP Paula Bradley MLA Jenny Rathbone MS