



Department
for Work &
Pensions

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Your ref: GL/JM/Council

Mr Geoff Little OBE
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Our ref: MC2021/80946

15 November 2021

Dear Mr Little,

As you may know, your letter of 29 September to the Chancellor of the Exchequer has been passed to this Department for a response. You wrote about the Universal Credit uplift. I am replying as the Minister for Welfare Delivery.

Since the start of the pandemic, the Government's priority has been to protect lives and people's livelihoods. This includes continually supporting individuals and businesses. Universal Credit has provided a vital safety net for six million people during the pandemic, and we announced the temporary uplift as part of a COVID support package worth a total of £407 billion in 2020/21 and 2021/22. As part of the Spring Budget, the Chancellor announced that the temporary £20 a week increase in Universal Credit was to be extended for a further six months, until October. Eligible Working Tax Credit claimants received an equivalent one-off payment of £500.

The Government has always been clear that the £20 increase was a temporary measure to support households affected by the economic shock of Covid-19. As a result, Universal Credit Claimants Assessment Periods that ended on or after 6 October 2021 have not included the additional £20 per week.

There have been significant positive developments in the public health situation since the uplift was first introduced with the success of the vaccine roll-out. Now the economy is reopening and as we continue to progress with our recovery, our focus is on helping people to prepare for, get into and progress in work.

I would like to reassure you that food insecurity is an issue we take seriously, which is why we added food security questions to the Family Resources Survey. This will include questions specifically on foodbanks use in subsequent editions of the survey. With this information, we will have a better understanding of the lived experiences of families.

We have made important changes to the Healthy Start Scheme, such as increasing the value of Healthy Start Vouchers from £3.10 to £4.25 in April and digitalising the scheme to make it more accessible. These vouchers are available to parents with young children who are in receipt of eligible benefits, to help them buy basic foods like milk or fruit.

We understand that school holidays can be particular pressure points for some families because of increased costs. The Holiday Activities and Food programme will continue to run over the Christmas holidays, having already provided enriching activities and healthy meals to children across the country over Easter and the summer. From 2022 we are investing over £200 million a year to continue our Holiday Activities and Food programme, providing free school holiday club places with enriching activities and healthy meals for children who receive benefits-related free school meals. All 151 local authorities in England are delivering this programme.

This Government is wholly committed to supporting those on low incomes, and continues to do so through many measures, including by increasing the living wage, and by spending an estimated £111 billion on welfare support for people of working age in 2020/21. Additionally, through our Plan for Jobs, the Government is investing over £33 billion in measures to create, support and protect jobs. This included over £2 billion investment in the Kickstart programme and an additional 13,500 Work Coaches in our Jobcentres, as well as other measures focused on boosting work search, skills and apprenticeships.

The Department recognises that work is the best route to prosperity. Alongside the comprehensive Plan for Jobs, the Government is now taking further action to make work pay for low income households on Universal Credit. New measures introduced at the Autumn Budget show we are taking decisive action to make work pay. Cutting the taper rate from 63 per cent to 55 per cent and increasing the work allowance by £504 per year means that 1.9 million working households will be able to keep substantially more of what they earn. These measures effectively represent a tax cut, worth around £2.2 billion a year in 2022/23, for the lowest paid in society. This is in contrast to the legacy system which applied marginal effective tax rates of over 90 per cent to lower earners in some cases. The lowest paid will also be better off in April, when the Living Wage rises to £9.50 an hour.

However, we recognise that some people may require extra support over the winter as we enter the final stages of recovery, which is why vulnerable households across the country will now be able to access a new £500 million support fund to help them with essentials. The Household Support Fund will provide £421 million to help vulnerable people in England and allocations to individual local authorities are set out below. The Barnett Formula will apply in the usual way, with devolved administrations receiving almost £80 million (£41 million for the Scottish Government, £25 million for the Welsh Government and £14 million for the NI Executive), for a total of £500 million.

Local authorities in England will use their ties and knowledge to design schemes which best meet the needs of local people. The fund is principally intended to be used to support households with food, energy and water costs, although support with wider essentials can also be considered under the scope of the scheme. Indicative allocations for each Upper Tier/Unitary Authority can be found at: www.gov.uk/government/news/government-launches-500m-support-for-vulnerable-households-over-winter.

I hope you will find this reply helpful.

Kind regards,

A handwritten signature in black ink, appearing to read 'David Rutley', with a horizontal line underneath.

David Rutley MP

Minister for Welfare Delivery