



Department  
for Work &  
Pensions

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Your ref: MH72317

Dame Meg Hillier MP  
meghilliermp@parliament.uk

Our ref: MC2021/80639

15 November 2021

Dear Dame Meg,

Thank you for your email of 4 October to the Secretary of State on behalf of a number of your constituents about the Universal Credit uplift. I am replying as the Minister for Welfare Delivery and I apologise for the delay in doing so.

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 Claimant 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.

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 through local authorities. 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](https://www.gov.uk/government/news/government-launches-500m-support-for-vulnerable-households-over-winter).

I hope your constituents will find this reply helpful.

Kind regards,



**David Rutley MP**

**Minister for Welfare Delivery**