



HOUSE OF COMMONS

LONDON SW1A 0AA

The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
The Correspondence & Enquiry unit
1 Horse Guards Road
London
SW1A 2HQ

Our Ref: AL6535

7th July 2021

Dear Chancellor,

Re: Proposed Removal of the Universal Credit Uplift

I am writing on behalf of the 5975 households in my constituency who are in receipt of Universal Credit to ask for you to reconsider the decision to remove the £20 uplift.

The uplift in Universal Credit has been a huge boost to the poorest in society during the pandemic. It succeeded in shielding the incomes of millions from the fall in GDP that was experienced due to the restrictions put in place. Even before the pandemic there was widespread food insecurity amongst poorer families and if the decision to cut the uplift is to go ahead this will have a hugely damaging effect on these households.

Cutting the incomes of over 5 million households by £1,000 a year from October will have a damaging effect not only on the individuals but also the economy. According to the Resolution Foundation the poorest households in the country will see their incomes fall by 5% overnight.

With inflation predicted to rise at the point that this cut is introduced the cost of living will increase driving even more households into poverty and food insecurity. The households effected usually have less than £100 in savings and so do not have the means to supplement their income in this way. As you will know there is likely to be a rise in unemployment as the Government removes support schemes just when this cut is proposed.

I do understand that the uplift costs money for the Treasury however taking it away just as the recovery has started will do untold damage to large swathes of the population and I urge you and the rest of the cabinet to reconsider this decision. Will the Government invest in the future to drive down poverty, improve living standards and opportunities for the poorest in society? Has the Government considered the externalities of this policy and projected the cost that putting so people into poverty will have in the future? Any further comments you have regarding this matter would be welcome.

I thank you for your attention to this matter and look forward to your response.

Kind regards

Alyn Smith MP