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31 January 2022

Mr. Olivier De Schutter Special Rapporteur on extreme poverty and human rights CH-1211 Geneva 10 Switzerland

Dear Mr De Schutter,

Thank you for your letter dated 13 September 2021 (reference OL GBR 9/2021) regarding the expiration of the temporary uplift to the standard allowance in Universal Credit.

Please find attached a reply from the Rt Hon Therese Coffey MP, Secretary of State for Work & Pensions.

Yours ever,

SIMON J. MANLEY CMG



RT HON THERESE COFFEY MP Secretary of State for Work & Pensions

Your Reference: OL GBR 9/2021

Mr. Olivier De Schutter Special Rapporteur on extreme poverty and human rights Office of the High Commissioner for Human Rights

12 November 2021

Dear Mr. De Schutter,

Thank you for your letter of 13 September 2021 regarding the expiration of the temporary uplift to the standard allowance in Universal Credit. Your comments are noted. The approach to the provision of emergency support, including in relation to the Universal Credit uplift, was voted on by the UK Parliament as part of Budget measures in Spring 2020.

Throughout the pandemic, the Government's priority has been to protect people's lives and livelihoods. Universal Credit has provided a vital safety net for six million people during the pandemic, and we announced the temporary £20 uplift as part of a COVID-19 support package worth a total of £407 billion in 2020/21 and 2021/22.

The Government has always been clear that the increase was a temporary measure to support households affected by the economic shock of COVID-19. There have been significant positive developments in the public health situation in the UK since the uplift was first introduced, given the success of the vaccine roll-out. With the economy reopen and recovery well underway, it was a proportionate measure to allow the Universal Credit standard allowance to return to its normal level in September.

Regulatory Impact Assessments are used to support legislative change. The expiration of the £20 uplift is a return to business as usual and does not require legislative change. As such, no impact assessment has been conducted.

We recognise that some – including those who cannot work – may still require extra support, which is why we have introduced a £421 million Household Support Fund to help vulnerable people in England with essential household costs. The Barnett formula¹ will apply in the usual way, with the devolved administrations receiving £79 million on top of the £421 million for England, for a total of £500 million.

The Government has consistently said that the best way to support people's living standards is through good jobs, better skills, and higher wages. To that end, our Government has taken decisive action to make work pay by cutting the Universal Credit taper rate from 63% to 55% and increasing Universal Credit work allowances by £500 per annum. This is worth around £2.2 billion in 2022-23, and means that, from 1 December 2021, 1.9m of the lowest paid households will keep, on average, around an extra £1,000 on an annual basis. These changes apply across England, Wales and Scotland, and the Northern Ireland Executive will be funded to match them.

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¹ The UK Government allocates funding in two ways, either to the UK as a whole, or specifically just for England when the funding is spent on a policy area where the devolved administrations are responsible. The Barnett formula is the way the UK Government ensures that a share of additional funding – allocated only to England is provided fairly to Scotland, Wales and Northern Ireland.

Theire Coffey