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**Llywodraeth Cymru
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From: The Minister for Communities

Minister for Social Security and Local Government, Scottish Government

Minister for Social Justice, Welsh Government

**Private Office
Level 9
Causeway Exchange
1-7 Bedford Street
Belfast
BT7 2JB**

e-mail: private.office@communities-ni.gov.uk

Tel: (028) 9051 5690

Our Ref:

**Rt Hon Chloe Smith MP
Secretary of State for Work and Pensions
Caxton House
Tothill Street
London
SW1H 9NA**

6 October 2022

Via email: secretaryofstate@dwp.gov.uk

Dear Chloe,

COST OF LIVING CRISIS – URGENT ACTION REQUIRED

We are deeply concerned about the impact the cost of living crisis is having on poverty levels, particularly child poverty. Many people are struggling to afford even the basic essentials, including buying food, heating their homes and paying rising bills. All of the available evidence shows that it is households with the lowest incomes who are being hit the hardest by this crisis, with more of their incomes being spent on covering the basics. This in turn impacts on people's health and wellbeing, and exacerbates existing inequalities. This cannot continue.

Our respective Finance Ministers wrote to the Chancellor on 30 September calling for immediate action to address the impacts of his statement on 23 September, including additional funding support for social security benefits. We echo those calls here. More needs to be done now to provide the essential help and support needed. While some financial support has been provided it will not be nearly enough to meet the increases in basic costs, particularly as we have since seen increasing interest rates and inflation due to the economic turmoil since the Chancellor's fiscal event. To ease some of the pressures on the most financially vulnerable households we strongly urge you to implement the following changes as a matter of urgency.

- **Implement a comprehensive benefit take-up strategy**

The devolved Governments are doing what we can to put money into the pockets of the most vulnerable families and we are delivering excellent results with our benefit take-up projects.

However, maximising the take-up of social security benefits must be a priority for all Governments. It is more critical than ever that people understand, and are helped to access, all the financial support that is available to them. We urge you to take similar action and urgently develop and implement a comprehensive benefit take-up strategy.

In November 2020, a joint letter called upon your Department to lead the development of a take-up strategy. As highlighted in this letter, all the devolved Governments have excellent and well-established benefit uptake models, the aims of which are to ensure that every individual and household receives all the social security benefits and support that they are entitled to. These benefit uptake models could easily be replicated across all benefits and our Governments would be keen to collaborate with you and your officials.

- **Apply an emergency uplift of £25 to all means-tested benefits including the legacy benefits**

In April 2020 your Government introduced a £20 per week uplift in Universal Credit to help people during the pandemic. This provided a vital financial safety net for many individuals and families at a very difficult time.

Despite repeated calls from the public, political and other representatives the uplift was removed in October 2021. Removal of this additional support has undoubtedly contributed to the hardship that people are now experiencing.

Therefore, we strongly urge you to immediately reinstate the uplift to Universal Credit and, in recognition of the increasing costs individuals and families are experiencing, to increase it to £25 per week. This uplift should also be extended to all legacy benefits.

- **Abolish the benefit cap and the two-child limit**

The evidence of the impact of both policies is clear, they are pushing households with multiple children deeper into poverty. Removing the benefit cap and the two-child limit would offer meaningful, targeted support to families and help provide children the best start in life.

The Child Poverty Action Group (CPAG) estimate that a couple with two children subject to the benefit cap are, on average, currently £150 a week below the poverty

line. Removing the cap would put an average of an additional £65 per week into their pockets.

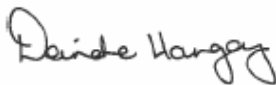
Abolishing the two-child limit would also mean additional support for families of around £56 per week for each additional child after the first two. These measures would represent a critical financial lifeline in the current cost of living crisis.

As devolved Governments we are doing what we can to put money into the pockets of those who need it most but we are limited by our powers and fixed budgets.

You and other Westminster Ministers have the responsibility to utilise your powers to ensure that we can all provide the best possible help and support to those suffering the most significant impacts during this crisis.

We look forward to hearing from you.

Regards



Deirdre Hargey MLA
Minister for Communities



Ben Macpherson MSP
Scottish Minister for Social Security
and Local Government



Jane Hutt MS
Minister for Social Justice