

Chair of the Poverty and Inequality Commission
Bill Scott



E: William.scott@povertyinequality.scot

The Chancellor of the Exchequer

The Right Honourable Rishi Sunak MP

20 July 2021

Dear Chancellor,

£20-a-week cut to Universal Credit

The Poverty and Inequality Commission for Scotland is a statutory public body established to provide advice to Scottish Ministers to assist them in achieving Scotland's Child Poverty reduction targets and to advocate for the reduction of poverty.

The Commission are concerned that the Government intends to cut Universal Credit by £20-a-week this October. We believe that this action would be disastrous for the lowest income families in our society and is at odds with the Government's stated intent to "level up", especially when the majority of families hit by the £20 cut to Universal Credit and Working Tax Credits will be working families.

We estimate that, in Scotland, if this cut goes ahead, 500,000 families with children, will have their incomes reduced. The Commission fears that it will be our most marginalised citizens - single parents, disabled people and black and minority ethnic households – who will be disproportionately hit.

Worse, throughout the UK up to half a million people who are already struggling on incomes below the poverty line are likely to be pushed into near or actual destitution by the weakening of our social security lifeline. This at a time when destitution has already doubled during the pandemic.

Rather than a cost, this £20 should be seen as a much-needed investment in the adequacy of our social security system, which had been eroded by cuts and freezes in the years leading up to the crisis. A social security lifeline that can protect families from poverty will result in improvements in health, well-being and educational attainment that would benefit our society, and Treasury finances, in the longer term.

We would instead urge you to make this crucial investment in our social security system permanent and to extend it to those on legacy benefits such as Employment and Support Allowance. This would demonstrate the Government's commitment to genuinely levelling up, reduce inequalities and assist in delivering a substantial and ongoing reduction in the number of children living in poverty.

Once again we urge you to put this £20 increase to Universal Credit at the heart of levelling up and a fairer Britain.

Yours Sincerely,

A handwritten signature in black ink that reads "Bill Scott". The signature is written in a cursive, slightly slanted style.

Bill Scott, Chair
Poverty and Inequality Commission for Scotland