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Rt Hon. Thérèse Coffey MP
Secretary of State for Work and Pensions
Department for Work and Pensions
Caxton House
Tothill Street
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16 October 2020

Dear Thérèse,

Thank you for the Department's response to the Economic Affairs Committee report, *Universal Credit isn't working: proposals for reform*.

As you will have seen, the Committee's report contained a comprehensive examination of Universal Credit and its effects on claimants, and it included a wide range of detailed, evidence-based conclusions and recommendations. While I understand that the Department is still responding to the substantial challenges created by the pandemic, I was nevertheless surprised that the Department was only able to provide perfunctory replies to some of our most urgent recommendations.

For instance, we recommended that the Government commit to making the increase in the standard allowance permanent. You replied, "... the Department continues to have active discussions on future welfare support with HM Treasury."

We also recommended that the Government should write off historical tax credit debt owed by Universal Credit claimants. You replied, "The Department acknowledges the impact on claimants moving from one benefit to another can bring and considers that more should be done to manage under and overpayments while in tax credits. We will continue our discussions across Government on how to better manage this."

I would be grateful if you could provide more detail on the nature of these discussions; when they started and when you expect them to conclude?

Different public bodies have made a range of forecasts on the level of peak unemployment over the coming months but they all agree that it will rise substantially throughout the winter, harming millions. Cutting the level of Universal Credit in April, when the level of

unemployment will remain substantial, would be a terrible error. The Resolution Foundation has calculated that the cut will cause the incomes of the poorest households to fall by as much as 7%, a rate that will push many beyond the brink.

The Committee has questions on many of the other responses that you provided to our report's recommendations. We would very much like you to give evidence to us again soon.

Yours ever,

A handwritten signature in black ink, appearing to read 'Forsyth', written in a cursive style.

The Rt Hon. the Lord Forsyth of Drumlean
Chairman of the Economic Affairs Committee