



Work and Pensions Committee

25 October 2023

Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
(By e-mail only)

Rt Hon Mel Stride MP
Secretary of State for Work and Pensions

Dear Jeremy and Mel,

Uprating: Working-age benefits

I am writing on behalf of the Work and Pensions Committee ahead of fiscal decisions at the Autumn Statement and to inform work you will both be undertaking on working-age benefits in the run-up to 22 November. We do not comment in this letter on pensions uprating. We welcome the additional support the Government have provided to those in receipt of benefits through cost of living payments. Continued high levels of inflation mean that households remain under acute financial pressure.

The Government have a statutory duty to uprate some benefits at least in line with prices. There is more discretion for other working-age benefits, including Universal Credit. Given the acute current pressures on families, we urge that all working-age benefits, regardless of whether they fall within the provisions of the [Social Security Administration Act 1992](#), should be uprated consistently in line with inflation, using the September CPI figure of 6.7%. Uprating benefits in line with inflation is consistent with our recommendation in our [Universal Credit: the wait for a first payment Report](#). The use of any lower figure to uprate benefits will mean that, over time, working-age benefits again will have been reduced in real terms from their historically low current real terms level.

As we have [previously](#) recommended, Local Housing Allowance (LHA) should be restored to the 30th percentile. Rents have risen sharply since LHA was last uprated in 2020. Freezing housing support has forced households to become homeless, imposing very large costs on local authorities.

We have [called](#) in the past for the benefit cap to be reviewed to ensure that increases to benefit levels do “not leave households worse off”. Additionally, we have [argued](#) that the cap should be “in line with average household incomes and increasing rent/energy/food costs”. We reiterate those points.

In the coming months we will be issuing reports on cost of living support payments as well as on benefit levels in the UK, both of which we hope you will find helpful for shaping future policy decisions.

We look forward to the Government’s announcements on working-age benefits. As is usual practice with the Committee’s correspondence, I will be publishing this letter on the Committee’s website.

Yours sincerely,

Rt Hon Sir Stephen Timms MP
Chair, Work and Pensions Committee