Rt Hon Rishi Sunak MP

Chancellor of the Exchequer

HM Treasury

1 Horse Guards Road

London

SW1A 2HQ

23 June 2022

Dear Rishi Sunak,

**Raise the benefit cap threshold in line with inflation**

The impacts of the rising cost of living are being felt right now in almost every household across the UK. While your commitment to uprate benefits in line with inflation in the next financial year will not fully alleviate the financial hardship felt by millions, it will provide breathing space for families struggling to stay afloat and is something that we welcome.

People subject to the benefit cap, however, will not see their incomes rise at all next year, meaning more than 120,000 households will lose out on the uprating. The total amount of income from benefits a capped household can receive has not increased at all since the current rate of £20,000 (for families outside London) came into effect in 2016.

At a time when essential bills – like gas, electricity and food – are soaring, it cannot be right that some of the most vulnerable families in the country – including single-parent families and families with young children – are finding themselves pulled into even deeper poverty, unable to afford to buy even basic essentials.

By increasing benefits such as Universal Credit in line with inflation, the UK Government has rightly recognised the need to ensure that social security payments at least keep pace with the growing financial pressures families face. But people living in poverty as a result of the cap will be disproportionately affected by rising inflation. There is simply, therefore, no moral justification for excluding capped households from benefit uprating; it is a decision that will serve only to lock them ever tighter into poverty.

Even before the cost-of-living crisis hit, evidence showed that the cap was causing widespread harm and hardship. A 2022 [survey](https://www.povertyalliance.org/wp-content/uploads/2022/01/Scrap-the-cap-briefing-4.pdf) conducted by the Poverty Alliance found that, in a normal month, a majority of respondents did not have enough money to cover basics like rent, utilities and food. Respondents were also regularly forced use food banks, borrow money from friends and family, or take out pay-day-loans. Now, the rising cost of living is exacerbating the poverty experienced by capped households.

By increasing the benefit cap limit in line with inflation, at the same rate as other benefits, thousands of households could be protected from the worst impacts of the crisis. I therefore urge you to prioritise reconsidering the decision not to raise the cap and commit to doing so ahead of the next financial year.

Even better than an uplift, we urge you to find the courage and compassion to scrap the benefit cap altogether. Doing so would immediately lift 50,000 children out of poverty and allow people to get the social security payments they out to be entitled to.

Yours sincerely,

Peter Kelly,   
Director, Poverty Alliance