



March 2021

Dear Constituent,

Thank you for contacting me about the Christians Against Poverty campaign on support for vulnerable people during the Coronavirus outbreak.

This is the biggest public health emergency in a generation. The Government has made a very clear commitment to supporting people with unprecedented packages of support rolled out for businesses and individuals alike. Additional support is being provided through the welfare system, representing an injection of over £9.3 billion.

In addition to the extra support provided through Universal Credit (UC) and Working Tax Credit, the annual benefit uprating of 1.7% has been applied across all benefits. As I understand it from discussions with colleagues in the Department for Work and Pensions, it would not be operationally viable to make changes to the legacy benefits systems, whereas the digital systems can be changed more simply and quickly.

The Government's approach has been to target support at those facing the greatest financial disruption and it is important to remember that new claimants will generally be receiving UC. That said, those on legacy benefits have benefitted from other support such as mortgage holidays, the suspension of new evictions, and support with electricity bills.

On the benefit cap, although temporary changes have been introduced to support people at this difficult time, it is not the intention to fundamentally change the process, principles or application of UC. The benefit cap allows for a yearly income of £20,000 outside of London, and £23,000 within London, and claimants may benefit from a nine-month grace period where their UC will not be capped if they have a sustained work record. Exemptions also apply for the most vulnerable claimants who are entitled to disability benefits and carer benefits.

The Local Housing Allowance (LHA) has already been increased to the 30th percentile of local market rents for Universal Credit and Housing Benefit claimants. This means that 30% of properties in each broad market area across England, Scotland and Wales are now within the LHA rate. This change will directly benefit over a million households who will see an increase in support of £600 a year on average.

Debt Relief Orders (DROs) are valuable tools which provide relief to those with low levels of unmanageable debt, limited assets and minimal surplus income. DROs are designed to be easily accessible means of managing debt, delivered in partnership with the professional debt advice sector to protect people from creditor action. I welcome Government plans to increase the financial



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eligibility criteria for DROs to ensure that vulnerable people are helped in getting to grips with problem debt. I know my Ministerial colleagues are committed to ensuring that this help reaches as many people as possible and I will continue to engage with them on this matter.

Thank you again for taking the time to contact me.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Chris'.

CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY