Derbyshire Welfare Rights Service

DERBYSHIRE County Council

Benefits and Poverty Briefing Note

January 2024

Updates from a range of sources about changes to benefits, and the current economic climate as it impacts on those with the lowest incomes. The content of this edition was drawn together on 02/01/2024 and any updates after that date will be shared in the next edition.

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Benefit Updates

£299 Cost of Living Payments to be issued from 6 to 22 February

The third cost of living payment for 2023/2024 will be sent automatically and directly to qualifying claimants between 6 February and 22 February 2024, or, for those in receipt of tax credits only, between 16 February and 22 February 2024.

To be eligible for the **£299** payment, claimants must have been entitled to a payment (or later found to be entitled to a payment) of -

> **Universal Credit** for an assessment period that ended in the period between 13 November 2023 and 12 December 2023; or
>
> **Income-Based JSA, Income-Related ESA, Income Support or Pension Credit** for any day in the period between 13 November 2023 and 12 December 2023 - including where they were entitled to less than 10 pence and met all other qualifying criteria but did not receive a benefit payment.
>
> For **Tax Credit** claimants, a payment of tax credits must have been received for any day in the period between 13 November 2023 to 12 December 2023, or in circumstances where entitlement is subsequently established for the period.
>
> Low-income households to receive over £2 billion in further cost of living support - GOV.UK (www.gov.uk)

Migration of legacy benefit claimants to Universal Credit

The DWP says it is on track to issue 500,000 migration notices to claimants in receipt of Tax Credits only by the end of this financial year.

'We plan to undertake the issuing of migration notices to working age benefit claimants sequentially starting with income support (April - June), employment support allowance with child tax credits (July - September) and jobseekers allowance (September). If a housing benefit customer is receiving one of these benefits, they will receive a migration notice. From April we will also invite tax credits with housing benefit and then housing benefit (only) customers to move.

For information on what someone should do if they receive a migration letter see:
Universal Credit if you receive a Migration Notice letter - GOV.UK (www.gov.uk)

Self-employed Carers of 3 – 12-year-olds: minimum income floor increased from January 2024

The minimum income floor is the amount the government uses to work out how much Universal Credit you will be paid if you are self-employed. If your self-employed earnings are low you can be treated as if you receive more money than you do, reducing benefit. In the budget this amount was increased for carers of 3-12 year olds to £1250 a month. The government has issued a correction, stating that an increase will be introduced from January 2024 – having originally stated that the measure would take effect from April:

The government says that the increase in the minimum income floor will -

'... *align it with the new work-related activity requirements for employed lead carers, which were announced at Spring Budget 2023.'*

Autumn Statement 2023 - GOV.UK (www.gov.uk)

35000 sanctioned UC claimants have 'disengaged' for over 6 months.

Giving some context to stated intentions to strengthen the sanctions regime and end the claims of some people who are 'disengaged' for over 6 months, DWP has produced 'Sanctioned disengaged claimants management information, April 2019 to August 2023'.

The 'low level' and 'lowest level' sanctions are imposed largely for failure to attend Jobcentre meetings. They are open-ended until the claimant re-engages - and remove 100% of the UC standard allowance.

DWP defines a 'disengaged' claimant as - '...who has an open low or lowest level FTA sanction, and it has been six weeks (42 days) or more since the claimant failure date. The disengaged duration is the duration from the claimant failure date to the claimant re-compliance date (where one exists).'

DWP will also use the government's Targeted Case Reviews to review universal credit claims of individuals on an open-ended sanction and disengaged for over eight weeks, ensuring they receive the right entitlement.'

The statistics show that in August 2023 -

- 5 per cent (97,000) of the universal credit sanctionable caseload was disengaged for six weeks or more and, of those claimants, 65 per cent (63,000) had a nil award, while 35 per cent were entitled to additional universal credit elements; and
- 3 per cent (51,000) of the universal credit sanctionable caseload was disengaged for six months or more and, of those claimants, 69 per cent (35,000) had a nil award, while 31 per cent were entitled to additional universal credit elements.

Sanctioned disengaged claimants management information, April 2019 to August 2023 - GOV.UK (www.gov.uk)

DWP powers to check bank accounts only to be used where there is a 'clear signal' of fraud and error

Work and Pensions Secretary Mel Stride has given a categorical assurance that the powers to carry out checks on claimants' bank accounts proposed in a government amendment to the Data Protection and Digital Information Bill will only be used where 'there is a clear signal of fraud or error'.

During Topical Questions in the House of Commons, Mr Stride responded to a question from Conservative MP Nigel Mills on whether he could confirm that the government will seek to use the new powers 'only where fraud is suspected' by saying:

'I thank my hon. Friend for what is a very important question, because there has been a great deal of scaremongering about what exactly these powers are about. I can make it categorically clear from the Dispatch Box that these powers are there to make sure that, in instances where there is a clear signal of fraud or error, my Department is able to take action. In the absence of that, it will not. '

Welfare Fraud and Error - Hansard - UK Parliament

BUT Information commissioner unable to assure that the measure is proportionate

The Commissioner, John Edwards, stated that -

'Government introduced an amendment to social security legislation to give the Secretary of State power to give an information notice to certain bodies (initially the financial sector) requiring them to provide information to identify relevant individuals where accounts in receipt of benefits match criteria set out in the notice, for example, exceeding a certain balance limit or being used abroad from an extended period of time. It is separate from the existing powers that allow the DWP to obtain information about accounts where there is a reasonable suspicion that fraud or error has occurred. However, it is intended to complement existing powers, allowing easier identification of individuals who may warrant further investigation…

'Ultimately it is for Parliament to satisfy itself that this measure is necessary and proportionate as part of the legislative scrutiny process. However, the Information Commissioner's Office has a role to provide a view about the proposal from a data protection perspective. This is particularly important given the significant intrusion that this measure allows. While I agree that the measure is a legitimate aim for government, given the level of fraud and overpayment cited, I have not yet seen the evidence that the measure is proportionate. I would anticipate that this would include evidence from the assessment of the DWP pilot, which I would expect to address the impact on successfully tackling fraud and error and the number of accounts identified and shared where there is no fraud or error detected. I am therefore unable, at this point, to provide my assurance to Parliament that this is a proportionate approach.'

Information Commissioner’s response to the Data Protection and Digital Information Bill | ICO

30% of UC claimants have health problems that limit their ability to work.

In Universal Credit Work Capability Assessment statistics, April 2019 to September 2023, the DWP highlights that there are now 1.8 million on the universal credit health caseload, representing 30 per cent of the total caseload - up four percentage points from September 2022.

Of these, 70 per cent (1.3 million) are in the limited capability for work and work-related activity (LCWRA) group.

In addition, in relation to outcomes of the most recent work capability assessment (WCA) decisions (in the quarter to August 2023), the DWP reports that 6 2 per cent resulted in a LCWRA award, down from 66 per cent in the quarter to August 2022.

Further statistics published in December 2023 show a rise to 64%.

Universal Credit Work Capability Assessment statistics, April 2019 to September 2023 - GOV.UK (www.gov.uk)

ESA: outcomes of Work Capability Assessments including mandatory reconsiderations and appeals: December 2023 - GOV.UK (www.gov.uk)

Number of new PIP claims continues to increase

In Personal Independence Payment statistics to October 2023, the DWP highlights that registration activity has largely risen over the last year with the latest quarter's registrations of 220,000 representing a record high and up by 11 per cent for new claims, 12 per cent for DLA reassessments (to 22,000), 31 per cent for changes of circumstance (to 32,000), against a 17 per cent fall in planned award reviews (reducing to 110,000) in the quarter ending October 2023 compared to the quarter ending October 2022.

Personal Independence Payment statistics to October 2023 - GOV.UK (www.gov.uk)

Wider Economic and Poverty Issues

MPs call for action on 'heavy handed' council tax debt collection

The Levelling Up, Housing and Communities Committee highlights its concerns about reports of 'heavy-handed' tactics to recover unpaid council tax following the Covid-19 pandemic and resulting lockdowns that pushed many households in England into council tax debt for the first time. The Committee's Chair Clive Betts said -

'The cost-of-living crisis is a real and everyday experience for many and the spectre of council tax arrears risks pushing some households over the edge. Some people may feel pushed into putting their council tax payments ahead of heating and eating - this is deeply concerning and highlights the need for local councils to act responsibly when trying to recover unpaid council tax.

Councils are themselves under significant financial and service pressures, but councils should not be chasing arrears from individuals who can least afford it. Councils should not rush to escalate collection activity but consider the ability of the individual to pay, avoid causing distress, and signpost suitable debt advice.

Enforcement action should absolutely be a matter of last resort. Heavy-handed tactics to recover council tax debt are not acceptable. The government should stamp out the prospect of poor enforcement behaviour by considering the case for a statutory code for the enforcement agent industry.'

Council tax – councils should not be chasing arrears from households that can least afford it, say MPs - Committees - UK Parliament

Debt advisers highlight a chronic lack of capacity in the debt advice sector

The Money and Pension Service (MaPS) is expected to consult on a new commissioning strategy for debt advice. We Are Debt Advisers (WADA) held a meeting in preparation and highlight that commissioning needs to address a chronic lack of capacity and identifies issues of reduced adviser capacity, increases in demand and increased complexity of issues causing long wating lists, disengagement, and less successful outcomes.

To address the sector-wide issues, WADA's recommendations include calls for MaPS to -

- undertake a review of the funding level needed to provide sufficient debt advice services to meet demand;
- ensure it supports a better balance of funding between national, regional and local services, as well as between advice only and advice plus casework services; and
- develop a five-year workforce strategy.

In addition, in relation to advisers' working conditions and reports of recruitment and retention problems, WADA's recommendations include for MaPS to remove unnecessary bureaucracy from quality assurance procedures and for clear guidance to be provided for its funded agencies about what is needed to meet its standards.

New ‘State of Debt Advice’ Briefing — Let's save debt advice (wearedebtadvisers.uk)

Housing

MP committee calls for evidence on Leasehold and Freehold Reform Bill

The Public Bill Committee has launched a call for evidence on the bill which seeks to give homeowners greater rights, powers and protections over their homes by introducing reforms that include making it cheaper and easier for leaseholders to extend their lease or buy their freehold, increasing the standard lease extension term to 990 years, and reducing ground rent to a 'peppercorn'.

The Committee has launched a call for evidence from anyone with relevant expertise and experience or a special interest in leasehold and freehold reform to help inform its line-by-line scrutiny of the Bill.

Leasehold and Freehold Reform Bill: call for evidence - UK Parliament

1 in 5 private rented dwellings fails to meet Decent Home Standard

The Department for Levelling Up, Housing and Communities (DLUHC) sets out findings on people’s housing circumstances and the condition and energy efficiency of the English housing stock.

Key findings include that 3.7 million dwellings (15 per cent) failed to meet the Decent Homes Standard in 2022, and 2.1 million (8 per cent) had a Housing Health and Safety Rating System Category 1 hazard, although there were variations across tenures -

- 21 per cent of private rented properties were non-decent, while 12 per cent had a Category 1 hazard;
- 10 per cent of social rented sector properties were non-decent, while 4 per cent had a Category 1 hazard; and
- 14 per cent of owner-occupied homes were non-decent, while 9 per cent had a Category 1 hazard.

In addition, the survey found that problems with damp had increased across all tenures between 2019 and 2022, with private rented properties again being the worst affected.

Chapters for English Housing Survey 2022 to 2023 Headline Report - GOV.UK (www.gov.uk)

More than 8000 people were sleeping rough in England in September 2023

Introducing the first publication of management information, Ending Rough Sleeping Data Framework, September 2023, the Department says that -

In May 2023, the DLUHC launched a new framework which sets out a clear and defined vision for ending rough sleeping, which is that it is prevented wherever possible, and where it does occur it is rare, brief, and non-recurring.

Key statistics set out by the Department include -

- preventing people sleeping rough -
    - 2,993 new people were sleeping rough over the month in September (35 per cent of total rough sleepers), up 23 per cent on the same period last year;
    - 900 new people were sleeping rough on a single night in September (26 per cent of the total), up 15 per cent on the same period last year; and
    - 769 people were sleeping rough over the month having left an institution (9 per cent of total), up 43 per cent since June 2023.
- making rough sleeping rare -
    - 8,442 people were sleeping rough over the month in September 2023, up 27 per cent on September last year, and 17 per cent since June 2023; and
    - 3,418 people were sleeping rough on a single night in September 2023, up 18 per cent on September last year and up 18 per cent since June 2023.
- making rough sleeping brief -
    - 2,663 people were sleeping rough over the month of September 2023 who were sleeping rough long term (32 per cent of total), up 16 per cent since June 2023.
- making rough sleeping non-recurring -
    - 1,048 people were sleeping rough over the month who were returning to sleeping rough (12 per cent of the total), up 5 per cent since June 2023

Ending Rough Sleeping Data Framework, September 2023 - GOV.UK (www.gov.uk)

Health and Disability

Committee finds that the National Disability Strategy was produced ‘in name only’.

The Women and Equalities Committee has today published the first of three reports in which it concludes that the Strategy fails to meet the government's grand vision to 'transform the everyday lives of disabled people’ but is in fact '... a list of un-coordinated and largely pre-existing short-term policies.'

Highlighting the government's failure to allow disabled people to have any meaningful input into policies directly affecting them, the Committee says it is a 'disability strategy in name only', and it makes a series of recommendations including that -

- the government should work with disabled people to develop a ten-year strategy with an action plan for the first five years outlining clear targets and timescales for delivery;
- the government should immediately establish a national advisory group bringing together the Disabled People's Organisations (DPO) Forum England and the chairs of Regional Stakeholder Networks;
- the DWP Minister for Disabled People, Health and Work should immediately update Parliament and disability stakeholders with specific timescales for delivery on all outstanding actions in the Strategy.

In addition, the Committee points out that the government does not include any reference to its obligations under the United Nations (UN) Convention on the Rights of Persons with Disabilities (CRPD) in the NDS, and it therefore asks -

- why it has not yet adequately addressed the UN Committee’s 2016 recommendations, what steps it is taking to progress that work, and when those recommendations will be met;
- for the government's reasons for failing to attend an August 2023 meeting with the UN Committee; and
- for details of the specific steps it is taking to ensure that the whole of government understands and follows the principles of the CRPD in policymaking.

[Targeted ten-year plan needed for National Disability Strategy, WEC warns ministers - Committees - UK Parliament]