



Department
for Work &
Pensions

Minister for Family Support,
Housing and Child Maintenance
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Dear Benjamin,

Thank you for your letter dated 12 April 2019 to the Secretary of State for Work and Pensions regarding Departmental policy related to the administration of the welfare system. Firstly, I sincerely apologise for the delay in responding to you.

I have been asked to respond and would like to take this opportunity to address each of the six points that you have raised in turn.

1. Expenditure on welfare for children and families

Let me begin by saying that the Department places great importance on supporting workless families and children, helping them overcome complex issues that hold them back from working, giving them the opportunity to go as far as their talents will take them. Through record employment, investment in early years, education and other public services, this government is taking long-term steps to tackle poverty.

The Government's ambition to end low pay in the UK was set out in the Chancellor's Spring Statement, and we have gone much further than previous governments to ensure that work pays.

For example, the National Living Wage rose to £8.21 for those aged 25 and over in April 2019, and this rise is expected to benefit over 1.7 million people. This increase takes the total annual pay rise for a full-time worker to over £2,750 since its introduction. Furthermore, income inequality has been falling over the last decade under this Government. Importantly, the average income of the poorest has risen fastest, up by 11.6%.

We are also helping more people to provide for themselves by helping them into work, with the number of people in work at a record high. We do not want parents to struggle to take on work, which is why we have doubled the amount of free childcare available to working parents of three and four year olds to 30 hours a week. This saves them up to £5,000 per child every year, and provides them with time to commit to employment.

Then, once we have helped people into work, we help them to keep more of their salary through measures such as delivering more affordable housing. We have invested £9 billion into the affordable homes programme, with over 407,000 affordable homes delivered since 2010; and introducing a new cap on energy prices on standard variable and default tariffs.

Of course, where people need extra support, we also provide a strong safety net through the welfare system. We continue to spend around £95 billion a year on welfare benefits for people of working age and their children. This includes a well-established system of hardship payments, benefit advances and budgeting loans to support those already in receipt of benefits.

This Government already spends more on family benefits in totality than any other country in the G7, with total welfare spending in 2019/20 expected to reach over £220 billion. As a share of GDP, our public spending on family benefits is the second highest in the OECD, at 3.5% of GDP (OECD, 2015 data). Our reforms have made sure that our welfare system encourages people into work, is fairer for taxpayers, and sustainable for the future.

2. The benefit cap and uprating freeze

With regards to your concerns around the benefit cap, I would like to highlight that the policy was introduced in April 2013 as part of the Government's long-term economic plan to return fairness to the welfare system.

The policy was approved by Parliament in the Welfare Reform Act 2012 and the Welfare Reform and Work Act 2016 and in regulations. The UK Government published its six impact assessments of all the welfare policies in the Act on the 20 July 2015, and the memorandum to the Joint Committee on Human Rights on 8 September 2015.

The cap was introduced to support three legitimate aims, namely incentivising work, ensuring fairness between taxpayers and those in receipt of benefits, and making fiscal savings. There has to be some limit on the overall level of benefit it is reasonable for the State to provide, and so a key aim of the cap is to influence a change in attitudes by encouraging people to take up work or increase the hours they work. We are supporting everyone who can or wants to work by extending opportunity, strengthening personal responsibility and enabling fulfilment of personal potential. Evaluation of the previous cap level found capped households were 41% (4.7 percentage points) more likely to get into work than similar uncapped households.

However, the Department is also focused on ensuring the protection of those vulnerable claimants for whom work or extending hours is currently not a viable option. For example, in recognition of the additional costs of a disability, certain exemptions are in place, such as for households which include someone who is receiving Disability Living Allowance or Personal Independence Payment. There are also additional exemptions for those entitled to Carer's Allowance or the Carer's element in Universal Credit.

Additional resources have also been provided to help families adjust to the benefit cap. These resources have been made available to provide short-term, temporary relief to families who may face a variety of challenges. For example, around £1 billion in Discretionary Housing Payments funding has been provided to local authorities since 2011 to help vulnerable claimants.

Furthermore, regarding your concerns around the uprating freeze, the Chancellor has made clear that he expects the benefit freeze to end in April 2020.

The Welfare Reform and Work Act 2016 provided for a four year freeze at a time when there was much public debate about the fairness of benefits outstripping earnings growth. It was also one part of a much wider strategy, and it is therefore misleading to look at the freeze in isolation when there has been significant investment into the welfare system since 2016.

3. The two-child limit

I appreciate your note of our policy change, ensuring that providing support for a maximum of two children is not applied to children born before April 2017. The Secretary of State has been listening and reviewing this issue carefully to ensure that the policy provides the right level of support, and it was decided that it would be unfair to implement this change for children born prior to the implementation of the policy, so this change was made.

Nevertheless, the importance of the policy aim must not be undermined. It is the Government's view that providing support for a maximum of two children or qualifying young persons in Universal Credit and Child Tax Credit will ensure fairness between those supporting themselves solely through work and those receiving benefits.

It is important that all households think carefully about whether they are financially prepared to support a new child, without relying on benefits to do so.

Furthermore, the majority of families have a maximum of two children, making the policy fair and proportionate. Statistics from the Office for National Statistics show that in 2016, of all families with dependent children, 85% had a maximum of two in their family. For lone parent families, this was 87%.

I would like to assure you that the Government takes very seriously the issue of child poverty, and has focused its efforts on tackling its underlying causes, primary among these being worklessness.

Children in workless families are three times more likely to be living in relative low income than children in families with at least one adult in work, and three separate research studies have shown that Universal Credit is having a positive impact on employment outcomes.

It is also important to note that since 2010, income inequality has fallen and 400,000 people have been lifted out of absolute poverty. Compared to 2010, there are 3.6 million more people in work, 1 million fewer workless households and 665,000 fewer children in workless households.

4. Links between Universal Credit and reliance on emergency food aid

This Government believes that the best way to help people improve their lives is through employment, and we know that people on Universal Credit move into work faster and stay in work longer.

Whilst there are many reasons why people rely on food aid, we want to ensure that we are targeting support to those that need it most. As such, we have listened to feedback on how we can better support our claimants and acted quickly, making improvements such as extending advances, removing waiting days, and introducing housing benefit run on. These changes are giving support to vulnerable people who need it most, whilst at the same time helping people get into work faster.

I would also like to point out that the proposal referred to in the Guardian article has not been taken forward beyond the preparation stage. The Department is carrying out a literature review on the factors driving the use of food banks which it plans to publish in due course.

5. Referrals from Jobcentres to food aid

The welfare of our claimants is our first priority. As such, Jobcentre staff have discretion to work with a wide range of external partners, including food banks. The Department has long-standing guidance in place which allows staff to signpost customers to a food bank where they have expressed an interest in using one, and if all other sources of statutory support have been exhausted.

We are exploring how we can build on current good practice to make it as easy as possible for food banks to identify and refer back to the local Jobcentre any customers who may, for a variety of reasons, not be receiving the full formal support to which they are entitled.

In relation to your point concerning data, I can confirm that the Department does not keep official statistics on food bank use, so the assessment requested is not available. Some food aid providers, such as the Trussell Trust, produce statistics on the number of food parcels distributed, but the Government has no plans to require individual food banks to keep records as this would place a significant burden on charitable and voluntary organisations.

6. Food insecurity measurement

Thank you for highlighting the crucial steps the Government has taken towards better food insecurity measurement.

Whilst it is important to note that the Department already collects a wide range of information on low income and material deprivation annually, we know that building a better understanding of household food needs will help us to ensure that we are targeting support to those who need it most.

This is why, as you have highlighted, we have worked with food insecurity experts, the Office for National Statistics, and the Scottish Government to introduce a new set of food security questions in the Family Resources Survey starting from April 2019. Furthermore, from spring 2021 we will be able to monitor the prevalence and severity of household food insecurity at national level and for specific groups, to better understand the drivers of food insecurity and identify which groups are most at risk.

I hope that you find this information helpful and reassuring.

Kind regards,

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

Will Quince MP

Minister for Family Support, Housing and Child Maintenance

