

# Derbyshire Welfare Rights Service

## Benefits and Poverty Briefing Note

February 2024

### Welfare Rights Service

### Derbyshire County Council

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 28/02/2024 and any updates after that date will be shared in the next edition.

## Contents

<b>BENEFIT UPDATES</b> .....	<b>2</b>
<b>UNIVERSAL CREDIT MIGRATION</b> .....	<b>2</b>
<b>DWP ESTIMATES THAT IT WILL NOTIFY MORE THAN 400K LEGACY BENEFIT CLAIMANTS TO MOVE TO UC IN 2024/25</b> .....	<b>2</b>
<b>HIGHER LEVELS OF BENEFIT TRANSITIONAL PROTECTION FOR PEOPLE RECEIVING DISABILITY PREMIUMS BEFORE MOVING TO UC</b> .	<b>2</b>
<b>UNIVERSAL CREDIT CONDITIONALITY</b> .....	<b>3</b>
<b>37% OF UC CLAIMANTS NOT EXPECTED TO PREPARE FOR OR SEEK WORK</b> .....	<b>3</b>
<b>OVER 20K CLAIMS WHICH INCLUDE SOMEONE NOT REQUIRED TO WORK HAVE BEEN CLOSED DUE TO CLAIMANT COMMITMENT NOT BEING ACCEPTED</b> .....	<b>3</b>
<b>FALL IN PROPORTION OF PEOPLE MOVING INTO WORK ON UC</b> .....	<b>3</b>
<b>UC SANCTION RATE INCREASES TO MORE THAN 7%</b> .....	<b>3</b>
<b>CPAG - PARENTS OF DISABLED CHILDREN AND CARERS UNDERPAID DUE TO DWP FAILURES</b> .....	<b>4</b>
<b>WIDER ECONOMIC AND POVERTY ISSUES</b> .....	<b>4</b>
<b>LIVING WAGE FOUNDATION – 1 IN 8 EMPLOYEES IN THE UK ON LESS THAN REAL LIVING WAGE</b> .....	<b>4</b>
<b>ACCESS TO JUSTICE (1) – LACK OF UNDERSTANDING ON ACCESS TO LEGAL AID SERVICES</b> .....	<b>5</b>
<b>ACCESS TO JUSTICE (2) – GOVERNMENT RE-INTRODUCING EMPLOYMENT TRIBUNAL FEES</b> .....	<b>5</b>
<b>IPPR –CHANGES TO SOCIAL SECURITY NEEDED AS CLAIMANTS REPORT FEELING ‘SCARED, EXHAUSTED AND DRAINED</b> .....	<b>5</b>
<b>HOUSING</b> .....	<b>6</b>
<b>9.6 MILLION UK HOUSEHOLDS LIVING IN ‘COLD, DAMP, POORLY INSULATED HOMES’</b> .....	<b>6</b>
<b>MORE THAN 30,000 SECTION 21 ‘NO FAULT’ EVICTION CLAIMS STARTED IN ENGLAND AND WALES</b> .....	<b>6</b>
<b>MANDATORY SHORT TERM LETS REGISTER TO BE INTRODUCED ACROSS ENGLAND</b> .....	<b>6</b>
<b>MPs WARN OF POTENTIAL INCREASE IN HOMELESSNESS AMONG UKRAINIANS IN THE UK</b> .....	<b>7</b>
<b>HEALTH</b> .....	<b>7</b>
<b>15% OF UK HOUSEHOLDS WENT HUNGRY LAST MONTH</b> .....	<b>7</b>

# Derbyshire Welfare Rights Service

## Benefit Updates

### Universal Credit Migration

DWP estimates that it will notify more than 400k legacy benefit claimants to move to UC in 2024/25

...and that from July 2022 to December 2023 nearly 520k people on tax credits were sent migration notices instructing them to claim UC. Only 132k of those people have made a claim to UC with more than 355k still going through the process and over 31.5k awards ending without a move to UC.

The National Audit Office has said that the DWP need to do more to understand why around 1 in 5 households asked to claim UC have not done so. The DWP remain unconcerned as it has received 'few complaints' but stakeholders are concerned at the risk of financial hardship. The NAO recommends that the DWP continue to research to understand why legacy benefit claimants do not claim UC and to understand the barriers to claiming so that they can put in place effective support.

[Written questions and answers - Written questions, answers and statements - UK Parliament](#)

[Completing the move to Universal Credit: Statistics related to the move of households claiming Tax Credits and DWP Benefits to Universal Credit: data to end of December 2023 - GOV.UK \(www.gov.uk\)](#)

[Progress in implementing Universal Credit - NAO report](#)

### Higher levels of benefit transitional protection for people receiving disability premiums before moving to UC

In response to losing the case in *R (on the application of) TP and AR (TP and AR No.3) [2022] EWHC 123 (Admin)*, DWP has issued new guidance in relation to increases in the transitional severe disability premium element in universal credit.

The High Court's January 2022 judgment required additional monthly amounts to be added to the transitional severe disability premium element to reflect the greater losses caused by 'natural' migration to UC.

Regulations w.e.f. 14/2/24 add an additional amount of UC to claimants entitled (or previously entitled) to the transitional severe disability premium (SDP) amount or transitional SDP element.

Qualifying new 'natural migration' claimants after that date will have the benefit of these changes immediately. For claimants already in receipt of UC, the time and manner of the payments will be arranged in due course in a time and manner to be decided by the Secretary of State ...'

- in the case of a single claimant -
  - £84 for those whose legacy benefit included an enhanced disability premium;
  - £172 for those whose legacy benefit included a disability premium; and

# Derbyshire Welfare Rights Service

- £177 per disabled child or qualifying young person where the legacy benefit or tax credit included a disabled child premium or disabled child element;
- in the case of joint claimants -
  - £120 for those whose legacy benefit included an enhanced disability premium;
  - £246 for those whose legacy benefit included a disability premium; and
  - £177 per disabled child or qualifying young person where the legacy benefit or tax credit included a disabled child premium or disabled child element.

[01-24: UC - Transitional Provisions - The Additional Amount \(publishing.service.gov.uk\)](#)

## Universal Credit conditionality.

### 37% of UC claimants not expected to prepare for or seek work.

In January 2024 there were 6.4 million people on Universal credit of which 37% were not required to prepare for or look for work either due to their health or caring responsibilities. This proportion has continued to increase as people move over from legacy benefits and is now greater than the proportion of UC claimants 'searching for work'.

[Universal Credit statistics, 29 April 2013 to 11 January 2024 - GOV.UK \(www.gov.uk\)](#)

### Over 20k claims which include someone not required to work have been closed due to claimant commitment not being accepted

A response to a written question in parliament revealed that more than 20,000 claims, which included people not required to undertake work related activity, were closed in 2023 because the claimant commitment, which sets out those requirements, was not accepted.

[Written questions and answers - Written questions, answers and statements - UK Parliament](#)

### Fall in proportion of people moving into work on UC

A JRF report "'Work First' can work better" observes that the current DWP approach is not leading to better employment outcomes for those people who are searching for work with a fall from 30 to 20% moving into work and a rise in economic inactivity. Estimating that work coaches spend around 13 million hours a year monitoring claimants - at a cost of £350 million - the JRF suggests that, rather than doubling down on a compliance-led approach to 'work first', a better approach would be to seek to reorientate jobcentres around building productive, supportive, work-focused relationships between claimants and their work coaches.

['Work first' can work better | Joseph Rowntree Foundation \(jrf.org.uk\)](#)

### UC sanction rate increases to more than 7%

In Benefit sanctions statistics to November 2023, the DWP reports that, in November 2023, 7.14 per cent of universal credit claimants who were in the conditionality regimes where sanctions can be applied were undergoing a sanction on the count date.

# Derbyshire Welfare Rights Service

Failure to attend or participate in a mandatory interview continues to account for the vast majority of sanctions decisions - for 95.8 per cent of all adverse sanction decisions in the last year and 94.8 per cent in the latest quarter.

[Benefit sanctions statistics to November 2023 \(official statistics in development\) - GOV.UK \(www.gov.uk\)](#)

## CPAG - Parents of disabled children and carers underpaid due to DWP failures.

CPAG says that the issue arises when people on Universal Credit become entitled to child Disability Living Allowance or carer's allowance. This usually means they can have a disabled child element or a carer's element added to their universal credit, but the DWP relies on them to notify it of their new entitlement, even though they may not realise they're entitled to the extra -

*'... the department already has the information it needs to ensure that parents and carers automatically get higher amounts of universal credit when they become entitled to them but because the information isn't shared between different parts of the department, there isn't a process for flagging when a claimant has a new entitlement to extra universal credit.'*

*Many claimants will never identify that there is a disabled child element or carer's element missing from their universal credit award because they will not have known that they were entitled to it. And parents who do manage to get the extra element added late but receive no arrears, will often simply accept this when in fact they are entitled to back payments to the date at which they became entitled to child DLA or carer's allowance.'*

[Poor data-sharing at DWP short-changing universal credit claimants | CPAG](#)

## Wider Economic and Poverty Issues

### Living Wage Foundation – 1 in 8 employees in the UK on less than real living wage.

The Foundation's key findings include that -

- 3.7 million employee jobs in the UK (amounting to 12.9 per cent or one in eight) were paid below the living wage, an increase from 3.5 million jobs (12.3 per cent) in April 2022 and the first increase since 2020;
- 15.4 per cent of jobs held by women were paid below the living wage, compared to 10.4 per cent of jobs held by men, and jobs held by women accounted for 59.5 per cent of all jobs paid below the living wage, 2.2 million in total;
- the region with the highest proportion of jobs paid below the living wage was the North East (15.9 per cent), followed by the East Midlands (15.7 per cent) and Northern Ireland (15.6 per cent);
- the ten local authorities with the highest levels of low pay are Haringey (32.7 per cent), Brent (29.5 per cent), Waltham Forest (28.8 per cent), Bexley (28.5 per cent), Redbridge

# Derbyshire Welfare Rights Service

(28.2 per cent), Hyndburn (26.3 per cent), Harrow (26.1 per cent), Mansfield (25.3 per cent), East Lindsey (25.0 per cent), and Thanet (24.7 per cent).

The Foundation also finds that the hospitality sector had the highest proportion of jobs paid below the living wage in April 2023 (48.1 per cent) followed by the arts, entertainment and recreation sector (24.7 per cent), and the wholesale and retail trade sector (23.2 per cent) which also had the highest number of below living wage jobs (818,000).

[3.7M JOBS PAID BELOW THE REAL LIVING WAGE IN FIRST RISE SINCE 2020 | Living Wage Foundation](#)

## Access to justice (1) – lack of understanding on access to legal aid services

The Ministry of Justice (MoJ) doesn't know if people eligible for legal aid can access it, and evidence suggests that access is worsening, according to a new report from the National Audit Office (NAO).

With available data suggesting that access to legal aid may be worsening, the NAO says that it is concerning that the MoJ continues to lack an understanding of whether those eligible for legal aid can access it. For example, the NAO points to evidence that limited provision in some areas of the country may make it harder to access legal aid, and that the proportion of the population eligible for support has reduced because there has been no change in the financial eligibility thresholds.

Noting that the MoJ has set providing swift access to justice as one of its primary objectives, the NAO says that theoretical eligibility for legal aid is not enough to achieve this objective if there are an insufficient number of providers willing or able to provide it.

The NAO also highlights that many legal aid providers told it that they plan to reduce or withdraw their legal aid services in the near future and that they face difficulties recruiting staff (with civil legal aid fees now approximately half what they were 28 years ago). As a result, the NAO says that the MoJ must act to ensure that access to legal aid, a core element of access to justice, is supported by a sustainable and resilient legal aid market, where capacity meets demand.

[Government's management of legal aid - NAO report](#)

## Access to Justice (2) – Government re-introducing employment tribunal fees

A group of almost 50 unions, lawyers and rights groups are calling on the government to think again about reintroducing employment tribunal fees. A previous scheme charging fees for employment tribunals.

## IPPR –changes to social security needed as claimants report feeling ‘scared, exhausted and drained.

A state of the nation report on the UK's social security system, co-authored by the Institute of Public Policy Research (IPPR) and Changing Realities, has called for the next government to make 'quick win' changes to social security in response to claimants reporting that the current system is leaving them 'scared, exhausted and drained'.

The report highlights drivers of poverty such as:

# Derbyshire Welfare Rights Service

- the sudden end of emergency cost of living payments resulting in an up to 18 per cent real terms cut to income for day-to-day living costs for some claimants - with a single adult out of work and under 25 on universal credit facing the highest cut;
- combined tax-benefit withdrawal rates of 69 per cent - because of the way universal credit taper rates and work allowances work alongside national insurance and income tax - effectively acting as a disincentive to work or work more hours; and
- an estimated 800,000 households on universal credit who rent privately continuing to face a shortfall between their rent and housing support, despite the unfreezing of local housing allowance from April 2024

As well as the counterproductive nature of conditionality, and the outdated 'any job' model that is driving people in crisis to apply for unsustainable work.

[Snakes and ladders: Tackling precarity in social security and employment support | IPPR](#)

## Housing

### 9.6 million UK households living in 'cold, damp, poorly insulated homes'.

The English Housing Survey by the Institute of Health Equity and Friends of the Earth finds that 34% of households are living in homes with poor energy efficiency contributing to fuel poverty and without the income to make improvements. Cold, damp homes pose a significant risk to physical and mental health leading to a potential public health crisis [Left Out in the Cold: The Hidden Impact of Cold Homes - IHE \(instituteoftheequity.org\)](#)

Meanwhile, the Great British Insulation Scheme (GBIS) that was intended to help 300,000 households with the cost of home insulation between March 2023 and March 2026 had helped only 2979 households by December 2023. The times reports that this puts them 60 years behind schedule.

[Summary of the Great British Insulation Scheme: January 2024 - GOV.UK \(www.gov.uk\)](#)

### More than 30,000 section 21 'no fault' eviction claims started in England and Wales

The Ministry of Justice says that mortgage and landlord possession actions continued to grow in 2023. In relation to landlord possession actions, the figures for the quarter to December 2023 show that these all increased when compared to the same quarter in 2022 - possession claims increased from 20,457 to 23,382 (14 per cent); orders from 16,145 to 18,003 (12 per cent); warrants from 8,778 to 9,833 (12 per cent); and repossessions from 5,427 to 6,649 (23 per cent).

Shelter commented:

When plans for the Renters (Reform) Bill were first drawn up, they promised renters an escape from an insecure and unjust system that left them in constant fear of losing their homes. But, without serious amends, this Bill won't be worth the paper it's written on.'

[Mortgage and Landlord Possession statistics: October to December 2023 - GOV.UK \(www.gov.uk\)](#)

### Mandatory short term lets register to be introduced across England

A short-term lets register is to be introduced in England from this summer, the government has announced. The new mandatory national register will give local authorities the information they



# Derbyshire Welfare Rights Service

need about short-term lets in their area and enable them to ensure that they comply with key health and safety regulations.

In addition, the government says that councils will be given greater power to control short-term lets by making them subject to the planning process.

The government adds that further details of the measures will be set out in its response to the consultation, with the changes being introduced from this summer.

[Short-term lets rules to protect communities and keep homes available - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/short-term-lets-rules-to-protect-communities-and-keep-homes-available)

## MPs warn of potential increase in homelessness among Ukrainians in the UK

By the end of August 2023, local authorities had reported 4890 Ukrainian households either homeless or at risk of homelessness. Hosts originally signed up for a minimum of 6 months but as the scheme approaches its third year it is anticipated that many arrangements have broken down or are likely to do so. The Department for Levelling Up, Housing and Communities announced £270 million of funding to Local Authorities to invest in homelessness prevention which includes support for Ukrainians who no longer have a host or sponsor.

[Homes for Ukraine - Committee of Public Accounts \(parliament.uk\)](https://www.parliament.uk/news-and-analysis/2023/aug/23/homes-for-ukraine)

## Health

### 15% of UK households went hungry last month.

15% of households, rising to one in five families with children have missed meals or gone hungry because they cannot afford to buy food. The food foundation, also report falling fruit and vegetable consumption among the poorest. This has been labelled a public health emergency.

[‘Health emergency’: 15% of UK households went hungry last month, data shows | Food poverty | The Guardian](https://www.theguardian.com/uk-news/2023/aug/23/health-emergency-15-of-uk-households-went-hungry-last-month-data-shows)