Welfare reform news and policy update

from HQN Associate Sue Beasor



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Breaking news

Universal Credit procedures for rent deductions unlawful

The High Court has ruled that the DWP's procedures for rent deductions were unlawful, as they do not meet the minimum standards of procedural fairness, which require that a Universal Credit claimant be:

- Informed that a landlord is requesting a direct payment or a rent arrears deduction
- Given an opportunity to respond before any change to their Universal Credit takes effect.

It is not clear, at this stage, whether the DWP intends to appeal this decision. We will look at the implications of this decision at the next RIEN best practice group meeting on 14 February.

Read more

High Court rules that previous government's consultation on proposed changes to work capability assessment was 'so unfair as to be unlawful'

A government spokesperson said: *"As part of wider reforms that help people into work and ensure fiscal sustainability, the government will re-consult on the work capability assessment descriptor changes, addressing the shortcomings in the previous consultation, in light of the judgment. The government intends to deliver the full level of savings in the public finances forecasts." The work capability assessment is currently used to decide whether Universal Credit claimants qualify for additional benefit and their work-related requirements."*

Read more and read more

Universal Credit managed migration

The DWP has provided the following update:

"As we move into 2025, we are increasing the number of migration notices issued to those households receiving income-related Employment and Support Allowance (ESA) only and ESA with Housing Benefit. In addition, we are focusing on supporting those households who received a migration notice in 2024 and are yet to make the move, particularly before tax credits close on 5 April 2025.

On 17 December 2024 we published our fourth insight document, Move to Universal Credit – Insight on Income Support and Housing Benefit and initial ESA cohort activity.

We also published, on this date, three research papers:

- *Move to Universal Credit for Tax Credit Couples: Qualitative Research*
- *Move to Universal Credit non-claimants (formerly tax credits customers)*
- *Move to Universal Credit Late Claimers (formerly tax credit customers) Qualitative Research.*

Amendments to the Universal Credit regulations were laid in Parliament on 6 January 2025 and will come in to force on 27 January 2025; these regulations predominately make small clarifying changes to the regulations. Further detail can be found in The social security (Miscellaneous Amendments) Regulations 2025.

Changes have been made to the Universal Credit Service to easily identify corporate appointees in the online claim. Corporate appointees can now self-identify and will be treated as departmental trusted partners which provides flexibility on how we communicate and work with them."

AI

Shake up of tech and AI usage across NHS and other public services to deliver plan for change

The government has announced a new plan to leverage technology and AI tools to streamline public services, eliminate delays through improved data sharing and reduce costs, including consultant spending. The Work and Pensions Secretary has said that the AI package will make DWP services *"faster, fairer and more accessible"*.

Read more

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DWP AI pilots experience problems

It appears that some DWP AI pilots have been closed or not taken up. Pilots of AI technology to enhance staff training, improve the service in Jobcentres, speed up disability benefit payments and modernise communication systems are not being taken forward, according to freedom of information requests.

Read more

Pension credit take-up

What are housing associations doing to support pension credit take up?

This National Housing Federation article looks at some of the ways housing associations are helping pension age residents to maximise their income.

Read more

Local Housing Allowance

Temporary accommodation

The Local Government Association has called for temporary accommodation subsidy rates to be uprated to 90% of the current LHA rate rather than to the 2011 rate.

Read more

Local authorities pay relocation companies more than £5.2m to facilitate moves to cheaper parts of the country due to LHA rates

LHA rates in cities have meant councils in England having to pay millions to relocation companies to help them permanently move homeless families out of big cities and the south east, in a practice that has been called a 'national scandal'.

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Housing, Communities and Local Government committee presses Angela Rayner on impact of LHA rates freeze

The select committee raised concerns about the consequences of re-freezing LHA rates (meaning many more families may find themselves evicted as they cannot meet the shortfall in their rent) and asked what assessments were carried out about the impact of the policy to freeze rates.

Read more and read more

Cost of living payments

Cost of living payments evaluation

This report from the DWP states that people who were struggling the most generally felt the least benefit from the government's cost of living payments. In addition, the perceived impact of the payments lessened over time, with recipients anxious about how they would meet their costs in the future.

Read more

Benefit fraud

Biggest fraud crackdown in a generation

The government has said that the Public Authorities (Fraud, Error and Recovery) Bill will introduce new measures to tackle fraud, including new bank surveillance measures and driving bans for those who repeatedly fail to repay their debts.

Read more

Public Authorities (Fraud, Error and Recovery) Bill: Impact assessment – regulatory policy committee opinion

The regulatory policy committee (the independent regulatory scrutiny body for the government) has said that the bill is "fit for purpose" but questions whether the potential impact on the poorest members of society has been sufficiently taken into account. It also recommends that its assessment of the wider impacts of new bank account verification measures would benefit from explicit discussions of the mental health impacts of debt.

Read more

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Benefit cap

Benefit cap: Number of households capped to August 2024

The latest DWP statistics show that more than 120,000 households in Great Britain had their benefits capped and the weekly average cap increased to more than £60 for the first time.

Read more

Help with utility bills

Energy debt relief scheme

Ofgem are consulting on whether to introduce a debt relief scheme for people who built up energy bills arrears during the energy crisis and may struggle to repay. The consultation closes for responses on Thursday 6 February 2025.

Read more

Water bills

This article examines some of the support available from water companies.

Read more

British Gas energy trust

The British Gas energy trust was able to support more than 64,000 households across Britain with money and energy advice, emergency fuel payments, white goods and energy debt grants in 2023/24. It currently has two energy debt support funds to help those struggling this winter (the individuals and families fund and the energy support fund) which offer up to £2,000 in grants to British Gas and non-British Gas customers across England, Scotland and Wales.

Read more

Cold weather payments

This article gives details of means-tested cold weather payments and who can get them.

Read more

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