

DWP Central Freedom of Information Team

e-mail: freedom-of-information-request@dwp.gsi.gov.uk

Our Ref: VTR1223

DATE: 3 April 2013

Dear Geoffrey,

Thank you for your Freedom of Information request of 13 March 2013, you asked for:

***Lots of my correspondence from your department, carry the quote,
"this is the amount the law says you need to live on".***

1/ Can you please tell me which law this applies to?

There are several different pieces of primary legislation, under which regulations are made, which cover entitlement to, and other aspects of, income-related benefit payments. The main acts are the Jobseekers Act 1995 which governs Jobseeker's Allowance; the Social Security Contributions and Benefits Act 1992 which governs Income Support; the Welfare Reform Act 2007 which governs Employment and Support Allowance; and the State Pension Credit Act 2002 which governs State Pension Credit.

2/ £71.00 is stated, how was this arrived at?

3/ When was it last updated to reflect rising prices?

In response to **question 2 and 3**, income-related benefits such as Jobseeker's Allowance are paid at a rate set by Parliament usually each year. The amount is intended to cover day-to-day living expenses. The amount of benefit payable depends on the individual circumstances of the claimant and their family, but the basic personal allowance for working age income-related benefits in 2012/13 is:

- £71.00 for single person, 25 and over,
- £56.25 for those under 25
- £111.45 - couple, both 18 and over

There are variants for couples please see attached for further information:

<http://www.dwp.gov.uk/docs/benefitrates2012.pdf>

In setting the rates of benefit the Government needs to take account of the competing demands on public expenditure and work incentives. Benefit rates are not an aggregate of separate amounts for specific items of expenditure such as food or fuel charges. The

Government has not prescribed what expenses the personal allowances cover as it is for each individual or family unit to decide how to spend their benefit, in the light of their individual needs and preferences.

The benefit system provides additional support for costs related to age, disability and caring. Help with the costs of children is provided by tax credits.

Section 150 of the Social Security Administration Act 1992, available at: <http://www.legislation.gov.uk/ukpga/1992/5/contents/enacted> requires the Secretary of State to make an assessment of the increase in the general level of prices, and if it has increased, he must then make a decision about the increase in benefits, based on the increase in prices, the national economic situation, and other factors considered relevant. For each year, this increase is affected through the Social Security Benefits Up-rating Order.

However, in light of the national economic situation, the Government has decided that for three years from 2013-14, certain working-age benefits – including the basic working-age personal allowance of Jobseeker's Allowance as described above – will be increased by 1% rather than by prices. This decision is expected to lead to significant savings in welfare expenditure. The 1% decision has been taken forward for 2013-14 up-rating through the 2013 Social Security Benefits Up-rating Order. For up-rating in 2014-15 and 2015-16, the 1% has been taken forward in the Welfare Benefits Up-rating Act.

Further information regards savings and impacts of the 1% decision are available in the Impact Assessments which accompany the Order

(<http://www.legislation.gov.uk/ukxi/2013/574/impacts>) and the Act (<http://services.parliament.uk/bills/2012-13/welfarebenefitsuprating/documents.html>).

The schedule of proposed benefits rates from April 2013 can be found below:

<http://data.parliament.uk/DepositedPapers/Files/DEP2012-1830/ScheduleofproposedbenefitratesfromApril2013.pdf>

4/ Has an exercise ever been done to quantify that the figure of £71.00 can sustain a human being?

We believe that the amounts payable are a reasonable sum, having regard to all relevant factors, as explained above.

5/ Does the Welfare Reform Act reduce the amount of money that was necessary to live on, as deduced in the pre-existing law?

No it does not. The up-rating of benefits is governed by the Social Security Administration Act 1992 and the Welfare Benefits Up-rating Act 2013. The Welfare Reform Act made no changes to the legislation relating to up-rating of income-related benefits, as outlined in the answer to questions 2 and 3.

6/ Can you please point out which section/act of the Welfare Reform Act lays down statute that allows the £71.00 to be further eroded in value?

Please see the response to questions 2 and 3 regarding the legislation relating to up-rating.

7/ Has the £71.00 been capped in any way or is it to be upgraded in line with rising living costs?

Please see above response to question 2 and 3.

8/ Could the reduction in the value of the £71.00 be interpreted as a breach of human rights given that the value of the pound is falling and the cost of living is rising?

Please see our previous answer at question 4. The law relating to the entitlement to social security benefit is compatible with the European Convention on Human Rights. This is not affected by the measures now enacted in the Welfare Benefits Up-rating Act 2013.

If you have any queries about this letter please contact me quoting the reference number above.

Yours sincerely,

DWP Central Fol Team

Your right to complain under the Freedom of Information Act

If you are not happy with this response you may request an internal review by e-mailing freedom-of-information-request@dwpgsi.gov.uk or by writing to DWP, Central Fol Team, Caxton House, Tothill Street, SW1H 9NA. Any review request should be submitted within two months of the date of this letter.

If you are not content with the outcome of the internal review you may apply directly to the Information Commissioner's Office for a decision. Generally the Commissioner cannot make a decision unless you have exhausted our own complaints procedure. The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow Cheshire SK9 5AF www.ico.gov.uk