At the recent Work and Pensions Select Committee oral evidence session into the Welfare Safety Net inquiry on Wednesday 27 March 2019 my predecessor offered to share information in regards to priority order for deductions from Universal Credit and food insecurity statistics and questions.

I have attached this information in the following annexes;
- Annex A: UC Reductions and Deductions Priority order
- Annex B: Summary of key statistics on food insecurity in the UK
- Annex C: Family Resources Survey – food security questions

I hope you find this useful.

Kind regards,

Will Quince MP
Minister for Family Support, Housing and Child Maintenance
Annex A: UC Reductions and Deductions Priority order

Universal Credit systems will apply reductions and deductions in a strict priority order.

Note: all % rates are of the claimant/benefit units UC Standard Allowance (UC SA).

Reductions: made before the Priority Order is applied

1. Fraud penalties (previously referred to as fraud sanctions) [100% of the UC SA for a single person and 50% of the UC SA for each member of a couple – limited exceptions can apply (40% and 20% respectively, of the UC SA)].

2. Benefit sanctions [100% or 40% of the UC SA for a single person and 50% or 20% of the UC SA for each member of a couple, depending on their conditionality regime and age].

Note: Only one fraud penalty or one benefit sanction can be applied at any one time. If a benefit sanction is already in place and a fraud penalty needs to be applied to the claimant’s UC, the fraud penalty will take precedence. The benefit sanction will be applied once the fraud penalty has ceased.

Deductions Priority Order

Advances:

3. UC Advance (New Claim or Change of Circumstances).

4. UC Advance (Benefit Transfer).

5. Budgeting Advances .

[All up to a maximum of 40% of UC SA]

Note: If the final payment of a fraud penalty or benefit sanction means it is only applied to part of the Assessment Period, e.g. 20 days of the AP, and this is less than 40% of the UC Standard Allowance then other deductions can be applied as appropriate up to the 40% limit.

Last resort deductions (to keep someone in their home or essential services in place):

Note: Deductions marked with * are part of the third party deductions scheme

6. * Arrears of Owner-occupier service charges [5% (fixed rate)].

7. * Arrears of Rent and/or service charges relating to a rented property (minimum deduction) [10% (fixed rate)].
8. * Arrears of Fuel – Electricity [5% (fixed rate) and Gas [5% (fixed rate), where both can’t be applied then a decision will be made on which should take precedence].

Note: Last resort deductions can be applied even if means that more than 40% of the claimant/benefit units UC standard allowance has already been used up.

Enforcing social obligation deductions:

9. * Arrears of Community Charge [5% (fixed rate)] or Council Tax [5% (fixed rate)].

10. * Fines (minimum deduction) [5% (fixed rate)].

11. * Arrears of Water charges [5% (fixed rate)].

12. * Old scheme Child Maintenance [5% (fixed rate)].

13. Flat Rate Maintenance [£5 per week (2003 scheme) or £8.40 per week (2012 scheme) – a fixed amount as specified in legislation].

Ensuring recovery of benefit debt deductions:

14. Social Fund loans [up to 40% of UC SA].

15. Recoverable Hardship payments [up to 40% of UC SA].

16. HB and DWP Administrative Penalties [50% of the overpayment from £350 to £5,000, up to 40% of UC SA – post 7/5/12 – before this date other rules apply].

17. Tax Credit, HB and DWP Fraud overpayments [up to 40% of UC SA].

18. HB and DWP Civil Penalties [up to 15% of UC SA in cases with no earnings; and 25% of UC SA with earnings, at or above the work allowance].

19. Tax Credit, HB and DWP non-fraud overpayments [Up to 15% of UC SA in cases with no earnings and 25% of UC SA with earnings, at or above the work allowance].

Enforcing social obligation deductions:

20. * Arrears of Integration loans [5% (fixed rate)].

21. * Arrears of Eligible loans [5% (fixed rate)].

22. * Arrears of Rent and/or service charges relating to a rented property (up to the maximum deduction) [+ 10% if it is within 40% of UC SA (making 20%)].

23.* Fines (up to the maximum deduction) [Up to £108.35 - up to 40% of UC SA].
Annex B: Summary of key statistics on food insecurity in the UK

Food and Agriculture Organization (FAO):

Food insecurity estimates are generated using the Food Insecurity Experience Scale (FIES) – a suite of eight questions regarding people’s access to adequate food. These focus on experiences associated with difficulties in accessing food due to resource constraints over the last 12 months (see survey questions in the link below).

Published statistics:
- **Severe food insecurity**: the proportion of the population (including children) that would have gone for entire days without eating, due to lack of money or other resources.

Key features:
- 3.4% of the UK population experienced severe food insecurity in 2015-17.
- Data is collected annually for around 150 countries through the Gallup World Poll.
- The UK **sample size is 1,000 respondents** which is small and limits the analysis that can be done.
- Estimates are presented as **three-year averages**, which affects the ability to monitor trends over time.
- The FAO ceased data collection in 2018 and expects countries to start collecting their own food insecurity data to report on progress towards the UN Sustainable Development Goal on zero hunger.
- The ONS, which is responsible for reporting on progress for the UK, will use the FRS food insecurity measure from 2021 and is currently investigating what could be used in the interim period.


Data Sources:

Food Standards Agency (FSA):

The FSA collects information about the public’s reported behaviours, attitudes and knowledge relating to food safety and food issues. The 2016 survey incorporated a suite of 10 food insecurity questions based on the adult food security survey module adopted in the United States Department of Agriculture (USDA). These focus on the households’ experiences associated with difficulty in meeting food needs over the past 12 months (see survey questions in the link below).
Key published statistics:
- **Low and very low food security**: the proportion of individuals aged 16 and over who reported living in low or very low food secure households.
  - **Low food secure households** are those where the quality of food intake is compromised.
  - **Very low food secure households** are those where the quality and quantity of food intake is reduced because of lack of money or other resources.

Key features:
- 8% of respondents lived in low or very low food secure households in England, Wales and Northern Ireland in 2016.
  - 5% lived in low food secure households.
  - 3% lived in very low food secure households.
- New data will be available on 25th of April 2019 (reporting on 2018).
- Data is collected every two years through the Food and You Survey.
- Sample size is **3,100 respondents**.
- Does not include Scotland.
- It is uncertain whether data collection will continue in future years (a decision is due in the near future).

Survey questions:
From page 22 in
http://doc.ukdataservice.ac.uk/doc/8193/mrdoc/pdf/8193_food_and_you_survey_wave_4_questionnaire.pdf

Data sources:
https://www.food.gov.uk/research/food-and-you/food-and-you-wave-four
Annex C: Family Resources Survey – food security questions:

These next questions are about the food eaten in your household in the last 30 days, that is since [date 30 days ago], and whether you were able to afford the food you need.

Now I'm going to read you several statements that people have made about their food situation. For these statements, please tell me whether the statement was often true, sometimes true, or never true for [you/your household] in the last 30 days, that is since [date 30 days ago].

Stage 1

1. “We worried whether our food would run out before we got money to buy more.”
   - Was that often true, sometimes true, or never true for you in the last 30 days?
2. “The food that we bought just didn’t last, and we didn’t have money to get more.”
   - Was that often, sometimes, or never true for you in the last 30 days?
3. “We couldn’t afford to eat balanced meals.”
   - Was that often, sometimes, or never true for you in the last 30 days?

Stage 2

If any of Q1-Q3 are ‘often’ or ‘sometimes’ follow with Q4-Q7

4. In the last 30 days, did you ever cut the size of your meals or skip meals because there wasn't enough money for food (Yes / No)?
   - If so, how many days (or 3 or more, if not sure)?
5. In the last 30 days, did you ever eat less than you felt you should because there wasn't enough money for food (Yes / No)?
6. In the last 30 days, were you ever hungry but didn't eat because there wasn't enough money for food (Yes / No)?
7. In the last 30 days, did you lose weight because there wasn't enough money for food (Yes / No)?

Stage 3

If any of Q4-Q7 are "yes", follow with Q8
8. In the last 30 days, did you ever not eat for a whole day because there wasn't enough money for food (Yes / No)?
   • If so how many days (or 3 or more, if not sure)?