Dear Margaret,

Thank you for your letter following Neil Couling’s evidence to the Scottish Parliament Welfare Committee on 29th April. You outline particular concerns about food bank usage and welfare reform. Neil was asked for his views, based on his experience of working with frontline staff and claimants, which he gave to the committee.

The Government’s vital programme of welfare reform is about simplifying the benefits system, preparing people for work, and making work pay – steps which will encourage and support individuals towards independence. We are however aware that in a number of communities around the country there are local food aid initiatives. We welcome this; for example, where a supermarket channels surplus food to low-income families through local charities. While I am a supporter of those who seek to help people in their communities by setting up food banks, there is currently no evidence linking the use of food aid to welfare reform, a view backed up by a Department for Environment, Food and Rural Affairs report into the provision of food aid in the UK which was published on 20 February.

As Neil pointed out, the international and national evidence is clear. It is important to put the UK’s food bank usage in context. In the UK, the Trussell Trust figures indicate that they issued food to over 900,000 people in 2013/14. Although this is a higher figure than before the recession, nonetheless, it remains much lower than other countries. In Germany, a country that has long been associated with a comprehensive welfare system, and whose economy has been amongst Europe’s best performers during the recession, Deutsche Tafel reported as early as 2009 that they were helping approximately 1.5 million people a week. Similarly in Canada, another country that has avoided the worst impacts of the recession, Food Banks Canada reported this year...
that in a single month over 800,000 people received food from a food bank. This figure was over 700,000 even before the recession, and this in a country with a population around half that of the UK. The rise in food banks actually predates most of the welfare reforms this Government has put in place.

The Trussell Trust recognises that awareness has helped explain their recent growth. The Director of the UK Food Bank network Adrian Curtis said last year: “I think the need has been there for a while. The growth in volunteers and awareness about the fact you can get this help if you need it help explain the growth this year.”

Moreover, the Organisation for Economic Co-operation and Development (OECD) recently published a report which found that the proportion of the population who report difficulty in affording food has actually reduced in the UK to 8.1 per cent in 2012 from 9.8 per cent in 2007. Furthermore, the UK is only 1 of 11 EU countries not to see an increase. And in March this year, the Office of National Statistics published a well-being survey which found that the proportion of the population who report finding it quite or very difficult to get by financially was down from 12.3 per cent in 2009/10 to 10.9 per cent in 2011/12.

There is no robust evidence linking food bank usage to welfare reform and the benefit system provides an adequate safety net for those in need. The suggestion that benefit delays are responsible for an increase in food bank usage is unfounded. The Department for Work and Pensions works hard to ensure that benefit claims are processed efficiently, and we have improved the time it takes to process benefits. Performance in processing benefits on time has strengthened year on year, with 92 per cent of Jobseeker’s Allowance (JSA) claims currently paid on time (within 16 days), 6 percentage points higher than in 2009/10. Furthermore, 88 per cent of JSA claims are processed within 10 days. Universal Credit will help speed this up further and we will continue to work hard to shorten processing times.

You make specific reference to criticism of the sanctions regime but it is only right that people claiming benefits should do everything they can to find work if they are able. The rules regarding someone’s entitlement to Jobseekers allowance – and what could happen to their benefits if they don’t stick to those rules – are made very clear at the start of their claim. Sanctions are used as a last resort and anyone who disagrees with a decision can appeal. We also have a well-established system of hardship provision for sanctioned claimants who have little or no other resources available to them, to ensure they are supported throughout the duration of a sanction.

The benefit system is there to cover essential costs, which includes food. As part of the Department’s benefit provision, any claimant who states they are in financial need can be considered for additional assistance. Where appropriate in an individual’s circumstances, they may now be entitled to a hardship payment, benefit advance and/or budgeting loan.
Since April 2013, support has also been available through local authorities and the devolved administrations in Scotland and Wales. By giving them the Social Fund budget in full, which amounts to £178 million each financial year up to 2015, we have enabled local areas to provide tailored, flexible support to those in greatest need, based on detailed knowledge of the issues they are facing in their communities. Support in this way is being better targeted than the previous more remote, centralised system, which for too long, paid out money to repeat applicants without asking why they found themselves in financial difficulty in the first place.

Alongside this reform, we have taken steps to ensure that additional assistance is in place. Short Term Benefit Advances have been available since April 2013 to help cover the transition to the new system, and between April and March, we helped 79,351 claimants, paying over £4.5 million in this way. We have also provided local authorities with information on the process for Short Term Benefit Advances.

Our focus remains on addressing the problems that underlie poverty, including unemployment, family breakdown, problem debt and educational failure. It is in tackling these issues that we will ultimately put an end to poverty.

Already, such a dynamic approach has contributed to a reduction in the number of people claiming the main out-of-work benefits, down by more than half a million since the election. For example, our reforms to sickness benefits have moved people who had previously been written off either into work or closer to work – which we know is the best route out of poverty for those who are able. At the same time, there are 1.3 million more people in work since this Government came into office.

As the economy recovers, this is where the real effect of our welfare reforms is felt.

I am currently making arrangements to appear before the Scottish Welfare Reform Committee informally.

With best wishes,

Esther McVey MP
Minister for Employment