

Freedom of Information request 1661/2013

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Information request

1/ You quote the SOS makes an assessment, is it the SOS as an individual or is it a team of experts, conversant in the general level of prices, who makes the decisions?

The Secretary of State for Work and Pensions makes a decision having assessed information provided to him by his officials. The legislation gives him the power to estimate the general level of prices in such manner as he thinks fit. Since 2010 the Secretary of State has made it his policy to use the Consumer Prices Index established by the Office for National Statistics for this purpose.

2/ What is meant by the general level? Is it an average, an opinion or fact?

The Secretary of State has discretion over how to measure changes in the general level of prices. For the up-rating of benefits in 2013-14, the Secretary of State has measured the increase in the general level of prices in the appropriate period using the change in the Consumer Prices Index over the period October 2011 to September 2012.

3/ If the SOS (OR HIS TEAM) make an assessment that the increase in prices necessitate a benefit rise, does the assessment need to be ratified by parliament, prior to its introduction? and

4/ In some FOI responses you have quoted statutes that state that parliament negotiates the benefit level, contrary to the quote above, that the SOS does it. Which is correct?

The rates of social security benefits are reviewed each year by the Secretary of State and are up-rated under powers conferred by the Social Security Administration Act 1992, Section 150. The amounts by which specified benefits are increased in any year are set out in the Up-rating Order for that year. The Up-rating Order is laid in draft and debated and approved by both Houses of Parliament before it is made. It must be approved by a vote in both Houses.

5/ How often are price levels factored into the benefit?

The Social Security Administration Act 1992 requires the Secretary of State to make an annual review of the level of benefits with regard to the increase in prices. For those benefits included in the Welfare Benefits Up-rating Act 2013, there is no such requirement for the years 2014/15 and 2015/16.

6/ You mention factoring in the "national economic situation". Could this imply that if the country was in a negative wealth, the value of the benefit would be reduced accordingly, which means that the amount would not be able to sustain the claimant or their dependents?

The Social Security Administration Act 1992 does not provide powers to reduce the rates of benefits.

7/ What other factors could be deemed relevant?

The legislation does not define the other matters which the Secretary of State may consider relevant. He would, however, set out the matters considered during his presentation of the Up-rating Order to Parliament.

8/ The social security benefits uprating order, you state is uprated yearly. Is this always the case?

The rates of social security benefits are reviewed each year by the Secretary of State and are up-rated under powers conferred by the Social Security Administration Act 1992, section 150. The amounts by which specified benefits are increased in any year are set out in the Up-rating Order for that year. Since the Social Security Administration Act 1992 came into force, an Up-rating Order has been made each year, although if prices were not to rise in a given year, then there would be no power in Section 150 of the 1992 Act to lay an Order.

9/ What was this years uprating amount?

Rates of benefits for 2013-14 are published in the House of Commons Library and can be found here:

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