

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 6th MARCH 2018**

Question

Further to the Minister's response to Written Question 41/2018 on 20th February 2018, will the Minister advise –

- a) whether she is satisfied with the current level of overpayment;
- b) what proportion of the overpayments are caused by payments being made automatically in advance;
- c) what proportion of overpayments are reclaimed at the standard rate of £21 per week, or above,
- d) what research, if any, she has conducted into the extent to which such reclaims have the potential cause hardship to claimants
- e) what the impact would be of adopting a system of payment in arrears, such as already exists in respect of Short-Term Incapacity Allowance; and
- f) whether the rate at which overpayments are reclaimed is agreed between the Department's staff and claimants or whether claimants are merely informed of what rate will be applied?

Answer

- a) I am satisfied that the Income Support system functions well to support low-income households with small fluctuations in their weekly incomes, and that paying benefit a week in advance helps households who might otherwise need to wait for money to meet essential costs following a sudden drop in income. Paying benefit in advance is preferable to making households wait an additional week when, for example, an employed adult has lost their job and needs to make a fresh claim to Income Support.
- b) There will be overpayments that are created due to the advance payment of benefit. Suppose a claimant receives a weekly payment on Monday for the next seven days and then there is a change in circumstances on the Wednesday of that week. This will mean that 5 days (Wednesday to Sunday) have been paid at an incorrect rate and an adjustment will be needed for these 5 days. This is unlikely to have a large value.

A detailed analysis of payment records would be needed to identify the proportion of claims that fall into this category. Delays in declaring changes in income remain the main source of preventable overpayments. I am satisfied that the Department has taken many steps to make it easier for customers to provide information about any changes in income, and for these changes to be actioned very rapidly. The Department has invested heavily in improving the customer experience and in our ability to deal with customer contact on a "right first time" basis.

We make it clear to each adult member of an Income Support household that they need to tell us about changes in income, and have made it very easy to report these changes over the telephone, via email, or by visiting the Department in person. In early 2016, the number of Income Support desks in the front office was increased and this has led to a considerable reduction in the time taken to process benefit applications and changes to existing benefits. A customer with a change to their entitlement can visit the Department and have the change applied to their claim immediately. This reduces the potential for over or underpayments to build up by making it easier for customers to give us the right information with the minimum of delay and for any queries to be resolved at the same time.

An online form allows the customer the option of informing us of a change in their income, and this is actioned during the next working day. Also, if a customer emails the department any information about changes to their claim, this is generally actioned within two working days.

- c) Approximately 90% of overpayments are recovered at or above £21 a week. A lower level of repayment applies to a minority of claims to reflect the personal circumstances of the household.
- d) As far as possible, a repayment rate will be agreed with the claimant at the time the overpayment is processed. Where a customer is not present to discuss a recovery amount, overpayments are set at a suggested weekly level. The household is immediately notified by writing, and can telephone, email or visit the Department to discuss and potentially negotiate a different repayment rate. A claimant who is concerned at the rate of repayment can seek a lower repayment rate with the department at any time.
- e) Short-term Incapacity Allowance (STIA) is not comparable to Income Support, because it is not designed as a low-income benefit. The majority of people claiming STIA will be absent from paid employment for short periods. Households who cannot afford to wait for payment of STIA in arrears may well make a claim to Income Support to meet their daily needs. A shift to paying Income Support in arrears is likely to create significant difficulties for vulnerable claimants at the start of a claim or following a change in circumstance. The great majority of other Social Security benefits are paid in advance. A change to payment in arrears would require a significant change to existing IT systems. The main departmental business system is due for replacement in the early 2020's and it is unlikely that a change to the basis of payment calculations could be justified in advance of the replacement of the overall system.
- f) As far as possible, a repayment rate will be agreed with the claimant at the time the overpayment is processed. Where a customer is not present to discuss a recovery amount, overpayments are set at a suggested weekly level. The household is immediately notified by writing, and can telephone, email or visit the Department to discuss and potentially negotiate a different repayment rate.