SAVVI Financial Hardship Guide

Using DWP Information for Financial Hardship Initiatives

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SAVVI
Scalable Approach to Vulnerability via Interoperability

improvement service

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If you're considering using Department for Work and Pensions (DWP) information as part of your initiative, this resource aims to get you started.

Universal Credit Data

The DWP has the duties and powers for the administration of UK benefits under a range of powers and duties set out primarily in the Social Security Administration Act 1992 and the Welfare Reform Act 2012. The **Welfare Reform Act 2012** is the principal legislation establishing Universal Credit (UC) and DWP's powers to collect and process data for its administration of Universal Credit.

Data Products

Data Product	Scope and Contents	Conditions
UC-LCTR (Local Council Tax Reduction) Data Feed	Details of UC claims, where the claimant has consented for their data to be shared with their local authority, to support their separate claim for Council Tax Reduction. This avoids the claimant having to continually provide the local authority with their circumstances and awards situation, which they have already provided to the DWP. Data is provided to each local authority that operates CTR, as a daily batch file, containing notifications of claims where there has been ● a new UC claim ● change of circumstances ● change of award This is not a single complete dataset of all UC claims in a local authority … in particular ● a picture of a claim would be built-up by applying the changes in each notification	Retention and usage of the data by local authorities must comply with the Memorandum of Understanding (MOU) with the DWP

	• the feed contains claims which are relevant to Council Tax Reduction, and where the claimant has consented for their data to be shared for the Council Tax Reduction purpose.	

New Data Products

The DWP intends to make a detailed and fuller Universal Credit dataset available to local authorities within their **Identifying Local Vulnerabilities (iLoV)** programme. For more information on this programme and when your local area can expect to receive this data product, keep up to date with DWP updates here: LA Welfare Direct bulletins: 2026 - GOV.UK

Existing sharing arrangements

The DWP have longstanding arrangements in place to share data with all UK local authorities which are set out in the DWP Memorandum of Understanding. This is updated on an annual basis and sets out the specific limited purposes for which local authorities are allowed to use any DWP data, including Universal Credit data - except in very specific contexts where the DWP shares it for a defined purpose.

Re-use of UC data by local authorities is therefore only possible if there is a legal gateway for DWP to share it, and the re-use must stay within the scope of that gateway. In some cases, local areas may also have supplementary sharing agreements in place with DWP to cover additional local sharing arrangements. The DWP MOU is the first place to look if you're considering whether you can use also use DWP or DWP derived data that your council already holds for your initiative.

What if what I want to do isn't covered?

Then you'll need to follow The DWP Data Re-Use Notification Process. This process asks you to explain clearly what you want to do, and why, and will ask you to set out your organisation's legal basis for processing in data protection law, and identify the legal gateway that allows DWP data to be shared and used in the way you propose.

We've set out some of the potential purposes and associated legal gateways for you to consider with your data protection and legal teams. We hope this is useful but, it's important to remember that:

- You will need to follow your own organisation's information governance processes. This is very likely to include doing a DPIA, and completing any actions which result from it, to make sure that what you're doing complies with data protection principles and obligations and has identified and appropriately treated any risks which might come up with what you want to do.
- You're likely to need to get your legal team's input, as part of this. Making sure your proposal is lawful in data protection terms is about more than just complying with data protection law – it must be more broadly lawful. The law around social security and wider local authority powers and duties is fairly complex, so you'll need their expertise here.
- You should always make sure you're looking at the most recent version of the DWP MOU to see what type of activity is already allowed and what requires you to follow the DWP Re-Use Notification Process. The DWP MOU is updated on an annual basis, and is likely to be held by your Revenues & Benefits Team or Data Protection / Information Governance Team.

It's not unusual for interpretation of what the law allows to vary between different organisations. It's also not unusual for different organisations to have different risk appetites. So, if there's any level of uncertainty about exactly what re-use the law allows, one organisation might be happy to accept this risk, and another might not. Your Data Protection Officer is required to review and sign off any DWP Re-Use Notification form.

We've included a broad list of potential purposes and legal gateways below which may be relevant to financial hardship initiatives. These can give you a starting point to consider developing plans in your area and inform discussions in your area. In each case you should refer to the latest copy of the DWP MOU to consider the extent to which purposes which are relevant to your initiative are a) already permitted or b) require the DWP Re-Use Notification Process to be followed.

Purpose	Description	Legal gateway	To consider with your DP and Legal Teams
Local Council Tax Reduction	Use of social security information for the administration of Local Council Tax Reduction (LCTR)	Regulation 12, 13 and 14 of the Social Security (Information-sharing in relation to Welfare Services etc.) 2012 Regulations made under Section131(1) of the Welfare Reform Act 2012.	Could this be interpreted as allowing a proactive approach to identifying potential assessing entitlement rather than only on application?
Discretionary Housing Payments	LAs to re-use UCDS LCTR and UCDS Stop Notice data supplied for LCTR purposes for the purpose of determining whether to make a DHP and, if so, the amount of the payment.	Section 131(3)(a) of the Welfare Reform Act and Regulation 14(3)(e) of the 2012 Regulations, made under Section131(1) of the Welfare Reform Act 2012.	Could this be interpreted as allowing a proactive approach to assessing entitlement rather than only on application?
Benefit cap	For the purpose of identifying and offering support to those claimants affected by the benefit cap	Regulations 5(1)(f), 6(1)(i) and 7 of the Social Security (Information Sharing in relation to Welfare Services etc.) 2012, as amended, made under Section131(1) of the Welfare Reform Act 2012.	Could this legal gateway be interpreted as allowing a proactive approach to assessing entitlement rather than only on application?
Local welfare provision	For local welfare provision (including Scottish Welfare Fund)	Regulations 5(1)(a)(iii), 6(1)(a)(iii) and 9(B) of the Social Security (Information Sharing in relation to Welfare Services etc.) 2012, as amended, made under Section131(1) of the Welfare Reform Act 2012.	What does local welfare provision cover?
Healthy Start	For assistance under the Health Start Scheme	Regulations 5(1)(a)(ii), 6(1)(a)(ii) and 9(a) of the Social Security (Information Sharing in relation to Welfare Services etc.) 2012, as amended, made under Section131(1) of the Welfare Reform Act 2012.	Can this legal gateway apply to devolved equivalent grants? (Social Security Scotland administered range of Best Start Grants)

Purpose	Description	Legal gateway	To consider with your DP and Legal Teams
Preventing homelessness	For undertaking duties under Part 2 of the Housing (Scotland) Act 1987. These are the Local Authorities (and partners) duties around people who are homeless or threatened with homelessness.	Section 131 of the Welfare Reform Act 2012, Regulation 5(1)e and 6(1)e of The Social Security (Information-sharing in relation to Welfare Services etc.) Regulations 2012 - discharging any functions under Part 7 of the Housing Act 1996 or (in Scotland) Part 2 of the Housing Scotland Act 1987 allows DWP and HMRC to share information relating to the purposes of homelessness prevention.	The Housing (Scotland) Act 2025 has and will affect a number of amendments to the Housing (Scotland) Act 1987, which will strengthen the homelessness prevention duties of local authorities and relevant partners. What will this mean in your area, and what might this allow in terms of data re-use for these duties?
Benefit take-up	Allows re-use data supplied for HB purposes for the purpose of "benefit take-up" 'benefit take-up' includes Attendance Allowance, Bereavement Support Payment, Carer's Allowance, Disability Living Allowance, Employment and Support Allowance, Jobseeker's Allowance, State Pension, New State Pension and Pension Credit.	Section 7B(1), (3)(a)(b)(c), (4)(a)(b) and (5) of the Social Security Administration Act 1992.	Does this permit a proactive approach to use of data the identification of a cohort?
Water and fuel social tariffs	Allows DWP to send LAs data supplied for LCTR purposes for the purpose of identifying citizens who would be entitled to social tariffs for water and fuel. This would allow LAs to inform the water and fuel companies of their eligibility.	Part 5 Sections (35)(1), (36)(1)(a)(b)(2)(a)(b)(c) and (38)(1)(a)(b)(2)(a)(b)(c) of The Digital Economy Act 2017.	

Purpose	Description	Legal gateway	To consider with your DP and Legal Teams
Multiple Disadvantages	May provide a legal gateway where the objective of your initiative is to provide assistance to individuals or households who are affected by two or more multiple disadvantages by either: • assisting in the identification of individuals or households with multiple disadvantages, or • the improvement or targeting of a public service or facilitation of the provision of a benefit provided to individuals or households, **and** • the improvement of the physical, mental, emotional, social or economic well-being of individuals or households.	The Digital Government (Disclosure of Information) Regulations 2018 made under Section 35 of The Digital Economy Act 2017.	There is a list of disadvantages specified in the regulation, so it's important that two or more of these are relevant to your initiative. Where you're considering relying on this legal gateway there are additional governance requirements to be aware of, as set out in the Code of Practice for public authorities disclosing information under Chapters 1, 3 and 4 (Public Service Delivery, Debt and Fraud) of Part 5 of the Digital Economy Act 2017 - GOV.UK You can view existing initiatives that have relied on this legal gateway here: Register of Information sharing agreements - Agreements - Power filter = 3281