



Department
for Work &
Pensions

Ministerial
Correspondence
Caxton House
Tothill Street
LONDON
SW1H 9DA

0207 340 4000

www.gov.uk

ministers@dwp.gsi.gov.uk

Councillor Doug Taylor
Enfield Council
Civic Centre
Silver Street
Enfield
EN1 3XA

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Dear Mr Taylor,

Thank you for your letter of 13 October to the Secretary of State about Universal Credit. I am replying as the Minister responsible for this area of the Department's work.

There are no plans to pause the rollout of Universal Credit and deny people the real improvements Universal Credit is delivering, with more people finding work, spending longer looking for work and taking up jobs they would not have previously considered as a result of it. We continue to deliver Universal Credit in a careful and coordinated way, which means that improvements can be made along the way.

Universal Credit is a big change for some people, so Jobcentre Plus staff are making sure that people understand the new system and that they receive support tailored to their needs. People applying for and receiving Universal Credit are offered personalised support from a Work Coach, and they have access to an adviser who can answer questions about their claim and provide access to other advice services.

Whilst I have noted the concerns you have raised, we maintained rollout over last year's Christmas period without any adverse impact and we will do the same this year. Our latest published data shows around 80 per cent of new claims paid in full at the end of the first assessment period. For the 20 per cent of cases who were not paid in full, we estimate around a third have not signed their Claimant Commitment so cannot be paid until they have done so. The other two thirds have an outstanding verification issue, such as providing bank statements, evidence of

childcare costs, or proof of rent. Many of these claimants receive a part-payment where elements of the claim have been verified. We have recently published timeliness data on the Government's website at: www.gov.uk/government/statistics/universal-credit-payment-timeliness-january-to-june-2017.

If people need money before their first Universal Credit payment, they can get an advance of up to 50 per cent of their estimated Universal Credit payment and this is paid quickly. Advance payments are an important part of the Universal Credit safety net, with around half of new claimants in July 2017 receiving an advance. By refreshing our guidance to Jobcentre staff, we are making sure claimants know they can request an advance and the maximum amount they are entitled to receive when they first apply for Universal Credit. The advance can be paid back over six months or longer for those people who need it. An advance can be claimed before a Claimant Commitment is signed.

Once we know a claimant is entitled to an advance, it is paid within five working days and if someone is in urgent need, a payment can be made on the same day. Previously, claimants would be asked how much they needed in an advance and now they can be offered the maximum amount upfront. If claimants need an advance, they should talk to their work coaches or call the Universal Credit telephone helpline on 0345 600 0723, which is charged at the same rate as a normal 01 or 02 landline. I should also point out that from November, the Universal Credit telephone helpline will become a freephone number.

Budgeting support is also available for anyone who needs it. Personal Budgeting Support aims to prepare all claimants for the financial changes Universal Credit brings. This is addressed at their initial work search interview to gauge their potential support needs and can include money advice.

Rent arrears are an important issue. There are many factors at play and many people are coming into Universal Credit with pre-existing arrears. The Department is currently undertaking work, in conjunction with a housing association, to investigate the reality of rent arrears in Universal Credit. It aims to understand the true level of rent arrears for their tenants, what is causing them and any impacts Universal Credit may be having.

We prioritise vulnerable claimants, including those at risk of homelessness or who have addiction problems, for Alternative Payment Arrangements, as set out in annex one of our guidance for Alternative


Payment Arrangements. This can be viewed on the Government's website at:
www.gov.uk/government/uploads/system/uploads/attachment_data/file/607851/personal-budgeting-support-and-alternative-payment-arrangements.pdf.

Alternative Payment Arrangements might include managed payment of the Universal Credit housing costs to landlords, making payments more frequently than monthly and splitting the payment between partners within the household in cases of domestic violence.

As outlined above, safeguards are in place for claimants including advances, budgeting support and Alternative Payment Arrangements. Research shows that over time claimants do successfully reduce their arrears. We continue to work closely with landlords, local authorities and other organisations to ensure claimants are supported and we are taking steps to help prevent them from falling into arrears.

Universal Credit is more effective and more efficient than the old system. Research also shows Universal Credit claimants are four percentage points more likely to be in work within six months than Jobseeker's Allowance claimants. People on Universal Credit spend around 50 per cent more time looking for a job than they did under Jobseeker's Allowance. In addition, 86 per cent of people on Universal Credit were actively looking to increase their hours, compared to just 38 per cent of people on Jobseeker's Allowance because they can take on more hours without losing their benefit. 77 per cent of people on Universal Credit were actively looking to increase their earnings, compared to just 51 per cent of people on Jobseeker's Allowance.

If I can be of further assistance please do not hesitate to contact me.

Tom Hinds


Damian Hinds MP
Minister for Employment