Rt Hon Frank Field MP  
Chair, Work and Pensions Committee  
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7 November 2017

Dear Frank,

I thought it would be helpful to provide clarification on how the Scottish Universal Credit (UC) Choices will work in practice as they were raised at the UC rollout inquiry evidence sessions on 13 September and 18 October.

The overall aim of the Scottish UC choices, sometimes referred to as the “Scottish flexibilities”, is to give people in Scotland more choice in how they manage their household budget to better suit their needs and preferences. From 4 October, people making new claims in full service UC areas can choose to have their UC award paid twice-monthly and the housing element of their award paid direct to their landlord. The choices have been widely welcomed by local councils, landlords, the third sector and also people in receipt of UC.

During the evidence session on 18 October, the Secretary of State for Work and Pensions and Neil Couling, Director of the UC Programme said that the new Scottish UC choices, in particular the twice-monthly payments, are a "deferral of payment" which suggests that opting for them may be disadvantageous for Scottish claimants. I do not believe this is an accurate representation of the process. It might be helpful if I explain that process.

Scottish claimants are offered the Scottish UC choices at the beginning of the second assessment period. The reasons are twofold:

- first, it enables the Department for Work and Pensions (DWP) to consider and put in place an Alternative Payment Arrangement (APA), if appropriate, where an individual has complex needs eg substance misuse or mental health; and
second, the joint Scottish Government/DWP user testing sessions demonstrated that by assessment period two, claimants are in a better position to make a more informed choice about the Scottish choices. This is because they have received their first UC payment, and understand how any changes will impact on their personal circumstances.

With twice-monthly payments the claimant still receives their full award; it is simply that how it is managed that is different. In practice, if a person chooses twice-monthly payments, at the end of assessment period two they will receive half of their award, and two-weeks later they will receive the second half of their UC award, with a payment every two weeks thereafter. It takes 4 weeks, not 10 weeks as cited at the evidence session on 18 October, from a person requesting a twice-monthly payment to it being put in place. Twice-monthly payments can be particularly helpful for people on a tight budget as a way to better manage their finances. In England, people in receipt of UC have to wait 4 weeks for each UC payment.

If a person chooses to have the housing element of their UC award paid directly to their landlord, this will not cause a delay in rent being paid as suggested at the evidence session on 18 October. Once a request has been received, the tenant is advised to continue paying their rent until DWP gets in contact. How quickly the arrangement can be set up and payment made is the responsibility of DWP. I understand that DWP is considering changing its payment scheduling arrangements and rolling out its landlord portal which may speed up the process.

Although the Scottish UC choices will benefit up to 700,000 people in Scotland by the end of the planned UC rollout in 2022, it will not address the fundamental design flaws inherent in UC.

The six week wait for the first payment needs to be scrapped, or at the very least reduced to four weeks. It does not mirror the work environment and this arbitrary factor is forcing more and more people into poverty and crisis. Like you, I see it as unacceptable and resulting in significant rent arrears. The announcements by the Secretary of State for Work and Pensions to refresh the DWP guidance on UC advance payments so they are offered upfront, or ending the UC helpline charges, are simply tinkering around the edges and does nothing to fix the many problems of UC.

As you know the Scottish Government wrote to the UK Government on 21 March and, again jointly with CoSLA on 28 September, asking them to halt the roll out of UC until the problems are fixed. Clearly, our call is only one among many requests from charities, housing associations, local authorities and Parliamentarians both north and south of the border asking the UK Government to pause the roll out of UC. It is disappointing that despite the overwhelming evidence, including that from your own Committee, the UK Government persists with implementing UC with no concern for the harm it is causing people across the UK.
Finally, at the evidence session on 18 October, it was disappointing, and surprising, to hear Neil Couling say that “I am waiting for a policy position from the Scottish Government” on access to free school meals. Since the start of the UC rollout, we have taken steps to maintain passporting arrangements to entitlement to free school meals. The latest position is set out in the Welfare Reform (Consequential Amendments) (Scotland) Regulations, that came into force on 1 August 2017, and introduced a monthly earned threshold of up to £610 for UC recipients. This income threshold has been set to maintain the status quo and offer broadly the same level of entitlement that existed to free school lunches before UC was introduced.

I am copying this letter to the Secretary of State for Work and Pensions.

Kind regards,

JEANE FREEMAN