Dear Mr Chairman

Universal Credit – automatic split payments

As part of your inquiry into Universal Credit, I would like to update you on some of the progress the Scottish Parliament has made on the matter of automatic split payments over the past week.

As Scottish Labour’s social security spokesperson, I am delighted to have secured support from all parties in Parliament for automatic split payments to be introduced in Scotland. Given the comments made by Kit Malthouse MP, Minister for Family Support, Housing and Child Maintenance, at your evidence session last week, I understand that it is progress made in Scotland and Northern Ireland which will be key in ensuring that split payments are automated within Universal Credit, and hopefully delivered across the whole of the UK.

At stage 3 of the Social Security (Scotland) Bill, agreed and concluded last Wednesday, 25 April, my amendment 144 was passed without division. Once the Bill receives Royal Assent the legislation will require Scottish Ministers to use their powers under section 30 of the Scotland Act to ensure that Universal Credit is split automatically, rather than simply offering a choice or maintain the status quo of making a joint payment. While a similar proposal was rejected at stage 2 by the SNP and Scottish Conservatives, I am pleased that all parties signed up to this use of these powers in the final vote on the Bill.

Though both Governments appear to have only began detailed discussions about the use of split payments in the past couple of months, my colleagues and I have pursued the matter since the Holyrood elections in 2016. The decision last week therefore

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marks a proud moment in the use of Scotland Act powers. You will already be aware that the Scottish Choices, agreed between the UK and Scottish Governments in 2017, are now being promoted to all Universal Credit claimants. Delivering automatic split payments would represent the next logical use of the devolved powers in order to mitigate some of the impact of Universal Credit on families north of the border.

As I told the Scottish Parliament last week, the single payment of Universal Credit is undermining women’s safety and reducing their financial autonomy. The Equality and Human Rights Commission has said plainly that Universal Credit has caused a “drastic shift in income from women to men” and fundamentally, it is perpetuating gender inequality. By systematically diverting money from women, it takes funds away from children putting them at risk of poverty.

In the course of the debate, the Scottish Minister for Social Security made clear that the onus is now on the DWP to ensure that this is deliverable and that ultimately the Secretary of State for Work and Pensions could block enactment. The Minister and her colleague Ruth Maguire MSP also called on the UK Government to resolve this issue “at source”. I am agreeable that this change should be effected for all couples on Universal Credit across the UK. On the basis that the proposal was not opposed by the Scottish Conservatives, I have challenged them to make clear to their colleagues in Westminster both their support for automatic split payments, and the need to make the case for change across the UK.

I trust that this information is useful to you and your colleagues; should you have any further queries about the policy commitment, or the progress of the devolved powers generally, please do not hesitate to contact me.

Your sincerely

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Scottish Labour Social Security Spokesperson