From the Chair

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Dear Peter

Split payments of Universal Credit in Scotland

Thank you for your letter of 26 February.

Your letter refers to the “misconception” that Universal Credit has elements. It is not difficult to see how this misconception has arisen; indeed, the first box of your explanatory diagram reads as follows:

1. Add up:
   • Basic Allowance
   • Child element
   • Childcare costs element
   • Limited capability for work-related activity element (LCWRA element)
   • Housing costs element

Different people will be entitled to different combinations of elements from this list. If even the Scottish Government’s Social Security department is having difficulty with this, you may wish to consider whether in fact it is the DWP’s explanation that is at fault.

You referred to the fact that the Committee acknowledged this issue in our work on split payments. You will also know that we set out in our report an option for splitting Universal Credit by reference to individual entitlement, to address the risk of an unfair split in households where one partner is disabled, a carer, or has responsibility for
paying childcare and related costs. We acknowledged that “any system for splitting by entitlement would need to account for the taper, without introducing complexity that would make it harder for claimants to see how their UC awards change in response to their earnings”.¹ It is not clear from the Government’s response to that report what consideration, if any, was given to our work.

I would also suggest, as an outside observer, that the work to deliver split payments in Scotland is suffering from what might best be described as a “chicken and egg” problem.

You told us in December that you needed to wait for the Scottish Government’s proposals before any work could begin. Now that you have had their proposals, you have concluded that they are impossible to implement. It is hard to escape the conclusion that it might have been more helpful for DWP to have made clear at an earlier stage what would, and would not, be possible—rather than waiting for proposals and then rejecting them.

I would therefore be grateful if you could help the Committee to understand this process a little better. The Government’s response to the Committee’s report, which we received in September 2018, said that “Policy and design teams in the Department and Scottish Government are working collectively to establish the practicalities of delivering split payments in Scotland”. In the light of that, might you please be able to let us know:

1) If policy and design teams in the Department and the Scottish Government have been working closely together, how is it possible that the Scottish Government has brought forward proposals which “could never be grafted onto the Universal Credit system”?

2) Exactly what support has the Department made available to the Scottish Government to support it in developing its policy proposals? In particular, it would be helpful to have a detailed description of the collective work described in the Government’s response to our report.

3) Is it the Department’s position that it is simply impossible for the UC system to deliver any form of split payment that reflects different individual entitlements within a couple, such as disability or caring responsibilities? If not, how could this be done?

¹ Work and Pensions Committee, Universal Credit and domestic abuse, paras 71ff
With best wishes and I look forward to hearing from you,

Rt Hon Frank Field MP
Chair

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