
2. As social security is a transferred matter to Northern Ireland and the responsibility of the Department for Communities, it is appropriate that they have had principal engagement with the inquiry and many of the issues raised are for them to address. However, the Department recognises that, due to the principle of parity on social security, there are strong links between ourselves and the Department for Communities. We have therefore noted the report and the recommendations made by the Committees.

3. The Committee published its report on 9 September 2019, including five recommendations which touch on the responsibility of the Department for Work and Pensions. The Department’s response to these recommendations is set out below.

**Recommendation 1**

*We recommend that the Department for Work and Pensions give claimants in England and Wales the option to receive fortnightly payments of Universal Credit with fortnightly statements. (Paragraph 105)*

4. Claimants in England and Wales already have the option to receive payments of Universal Credit more frequently than monthly.

5. Alternative Payment Arrangements (APA), including more frequent payment are considered on a case by case basis. These can be requested by the claimant, a landlord, a support worker or by DWP staff. DWP staff work closely with claimants and are able to assess which people need extra support, based on their personal circumstances.

6. We recently conducted a test involving more than 2000 claimants. These claimants had more frequent payments fully explained to them upfront and were given the option of monthly or twice monthly payments. Whilst 15% chose twice monthly, 85% chose monthly. After three months, the number still receiving twice monthly payments had dropped to 12%.
First assessment period

7. As referenced in the report the Department removed the 7-day waiting period in February 2018 to reduce the time people had to wait between claiming Universal Credit and receiving their first payment.

8. We continue to pay Housing Benefit for two weeks when people move onto Universal Credit and we will be introducing the same two-week ‘run on’ for other legacy DWP benefits from July 2020. These changes help provide additional support to those people transitioning to Universal Credit.

9. New Claims Advances are available urgently if a claimant needs support during their first assessment period and budgeting support is available for anyone who needs extra help. The repayment time for these advances is up to 12 months, and will be further extended to 16 months from October 2021.

10. We are continuously reviewing and improving the service for vulnerable people who claim Universal Credit to ensure that it is accessible and responsive to their needs. This includes how they are identified and supported, either from our own staff or through referrals from local services.

11. Universal Credit is simpler and fairer than the legacy system. It targets resources at people who need them most and supports people who cannot work or need help getting closer to the labour market.

Recommendation 2

We recommend that the Department for Work and Pensions work with the Department for Communities to ensure the planned automations of Universal Credit Flexibilities in Northern Ireland are in place within 18 months (Paragraph 114)

12. The Department for Work and Pensions remains committed to working with the Department for Communities in respect of the planned automations of Universal Credit Flexibilities in Northern Ireland. Significant automation has already occurred, with more planned.

Recommendation 3

We recommend that the Department for Work and Pensions and the Department for Communities evaluate the implementation of split payments in Scotland to assess what model would work best in the rest of the UK, including Northern Ireland. (Paragraph 127)

13. The DWP will work closely with the Scottish Government to establish the practicalities of delivering different split payments processes in Scotland, when they have settled their policy. Whilst implementation cannot be expected soon,
when it is, we will observe the implementation to further understand the impacts, potential advantages and challenges of this policy as it develops.

Recommendation 4

We recommend that, in response to this report, the Department for Work and Pensions set out what further work they have done to ensure that Universal Credit payments go to the main carer in households with children (para 128)

14. The Department acknowledges the findings outlined in the report and can assure both committees that DWP want to make sure the main carer more often receives the UC payment – currently around 60% of Universal Credit payments go to the woman in a joint claim, who is normally the main carer – we have recently introduced changes to the claimant messaging to support this and we are committed to reviewing the effectiveness of the change we have made.

Recommendation 5

We […] call on the Government to halt the implementation of the two-child limit in Northern Ireland and to reimburse any families who have been affected thus far, pending a full investigation into its financial impact on families with children and the potential discrimination against those with larger families and poorer communities. Historically in Northern Ireland, there have always been larger families than in the rest of the UK. Any benefit restriction on the number of children discriminates particularly adversely against families in Northern Ireland (Paragraph 147)

15. The policy to support a maximum of two children has been implemented in Northern Ireland by the Department for Communities, in line with the principle of parity on social security and the Fresh Start Agreement. Any decision to depart from parity on this issue would be for a Northern Ireland Executive and Assembly to take.

16. The Government’s view is that providing support for a maximum of two children or qualifying young persons in Universal Credit and Child Tax Credit ensures fairness between claimants on the one hand and, on the other, those taxpayers who support themselves solely through work. Universal Credit is designed to mirror the world of work where families do not automatically see their income rise on the birth of a new child.

17. The policy is not to limit family size, but to ensure that the amount of support available through means-tested benefits to each family is sustainable, by encouraging Child Tax Credit/Universal Credit claimants to consider whether they can afford to support each additional child in the knowledge that certain benefits will not increase automatically. This policy puts families financially supported by the state in exactly the same position as all other families.