Rt Hon Amber Rudd MP  
Secretary of State for Work and Pensions  
Department for Work and Pensions  

29 August 2019  

Dear Amber,

Thank you again for coming to give evidence to the Committee on 24 July. I am writing to you to clarify some points you made during that session.

Compensation for former SDP claimants

During the session, you told us that the maximum compensation for former SDP claimants was calculated following "assessing the judgment from the High Court in May".

1. Please can you explain in detail how the Department calculated the maximum £405 figure?

Some severely disabled claimants moving to Universal Credit would have been entitled both to SDP and to Enhanced Disability Premium.

2. Can you confirm if any of these claimants will be worse off under Universal Credit, compared to legacy benefits, even with the maximum SDP compensation?

I understand that the claimants in TP&AR are seeking further judicial review in light of differing treatment of claimants, in otherwise similar circumstances, who moved to UC before and after 16 January 2019.

3. Do you intend to challenge this action?

Upfront payment of childcare costs

You told us that the Department had moved to paying the first month of childcare payments upfront, and that you were working to give Work Coaches the discretion to make subsequent payments upfront.¹ Later in the session, on the same subject, Neil Couling said that "Budgeting Advances have existed for a while. What we have been saying to our staff is that they can use the budgeting advance system to effectively loan money to the claimant, so they can pay the bill."²
You indicated that you would be writing to all Jobcentres to raise awareness of the options for help with childcare bills, and undertook to send the Committee more information so that we can pass it on to our constituents.  

Might you please let us know:

4. **Whether there has been any change of policy on the payment of childcare costs**, and if so what the change has been?
   a. Have you now written to Jobcentres about this, and if so might we see a copy of the letter?
   b. What steps has the Department taken to ensure that MPs are aware of the options available to their constituents?

5. **Might you please set out for us exactly how this approach will work in practice, and give a worked example of how it would work for a claimant?**

6. **Did you consider whether it might be simpler to make an upfront payment of the childcare element on the basis of an invoice, rather than giving claimants a loan which is then paid back out of future UC payments?**

Budgeting Advances are subject to certain conditions, which might in some cases mean that they are not practical or suitable for this purpose. For instance:

- the maximum amount of a Budgeting Advance for a household with children is £812 (whereas a household with two or more children can receive up to £1108 in childcare costs)

- to be eligible, claimants must have earned less than £2,600 (£3,600 jointly for couples) in the past 6 months. This would exclude many working families, especially those who might need Budgeting Advances for ongoing childcare costs

- any previous Budgeting Advance must have been paid off before a new one can be received. This might create difficulties for families with multiple children in childcare on different schedules.

7. **Will Budgeting Advances used for childcare costs be subject to the same conditions as other Budgeting Advances?**
   a. If so, how does the Department plan to address the practical barriers set out above?

**Five week wait for Universal Credit**

Following an exchange about the five week wait, and the options for reducing or eliminating it, you undertook to write to us once you had considered the transcript. In addition to any reflections you have on that exchange, might you please also let us know:

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3 Qq189-191
4 Q156
What assessment you have made of the costs and practicalities of making what is currently the Advance payment the first payment of a Universal Credit claim?

9. What other options for reducing or eliminating the five week wait you have considered, and what the outcome of that consideration was?

Recording of PIP and ESA assessments

During the session, you acknowledged that recording of PIP and ESA assessments is not happening by default. In the Government response to the Committee's report PIP and ESA Assessments, published in April 2018, your Department said that “we intend to make recording the PIP assessment a standard part of the process. We are currently exploring potential options to test the recording of assessments, including video recording”. You told us that “no firm date or plan has been put in place yet” to roll out default recording of assessments but that in the Autumn you would look at the report from the trial that has taken place.

10. Could you please share the report from the trial with the Committee?
11. Can you please indicate when you expect to implement your Department's commitment to record all PIP and ESA assessments by default?

The Department plans to introduce a single assessment service for PIP and ESA.

12. Will you therefore commit to default recording of ESA assessments? If not, why not?

With very best wishes and I look forward to hearing from you,

Rt Hon Frank Field MP
Chair, Work and Pensions Committee