



Department for
Communities

www.communities-ni.gov.uk

From: Tracy Meharg
Permanent Secretary's Office

Level 9
Causeway Exchange
1-7 Bedford Street
BELFAST
BT2 7EG

Date: 11 February 2019

Rt Hon Frank Field MP
Work and Pensions Committee
House of Commons
London
SW1A 0AA

Via email: workpencom@parliament.uk

Dear *Frank*

Thank you for your email of 30 January 2019 requesting information on the Northern Ireland Payment Flexibilities. You have asked for information on the numbers of claimants who have requested and been granted each separate payment flexibility, the decision making process for each flexibility, and what feedback has been received from claimants.

By way of background, I should explain that Universal Credit was introduced in Northern Ireland on a postcode basis starting in September 2017 and the roll-out to all thirty-five locations was completed in December 2018. As at 2 February 2019, a total of 52,803 claims have been received from 59,835 claimants.

I will address each of our payment flexibilities in turn.

Twice monthly payments

In Northern Ireland Universal Credit payments to claimants are made twice monthly by default, although claimants can choose to be paid monthly without the need to meet any criteria. As a result, the overwhelming majority of our claimants receive twice monthly payments with only around a dozen claimants being paid on a monthly basis.

The Universal Credit Full Service (UCFS) computer system has been configured to recognise Northern Ireland postcodes and automatically default to twice monthly payments. However there is a consequential impact arising from this policy whereby NI claimants continue to receive a monthly UC Statement despite being paid twice monthly. This can lead to confusion among claimants and additional telephony traffic to our service centres; however DWP have plans to address this system issue for us in the near future.

Direct Payments to Landlords

Payment direct to landlord is the default position for NI claimants in rented accommodation. Claimants can request that the full housing costs element be paid direct to them subject to the following criteria:

- have not had their Universal Credit payment split between two parties in the household;
- The claimant must have no Universal Credit debt;
- The claimant must have no Social Fund Debt;
- The claimant must have no Discretionary Support debt; and
- The claimant must have no current rent arrears or history of rent arrears still being recovered.

If the claimant has not satisfied the criteria for opting out, Universal Credit will lastly consider if there is any potential risk to the claimant's tenancy if the housing opt out is not granted. An example of a potential risk to the tenancy may be, that the Tenancy Agreement or landlord has stated that the claimant is required to pay their landlord directly via a direct debit, standing order, bank transfer etc.

In instances, where claimants have successfully opted out of a direct payment to the landlord, they will be able to request re-instatement of direct payment to the landlord at any time and in such cases, there will be no criteria to satisfy.

To date, fewer than 20 claimants have requested that their housing costs element is paid to them and not to their landlord.

Furthermore, if a claimant is receiving direct payment of their housing costs element and accumulates the equivalent of two months arrears, then a landlord can apply to the Department to have direct payment to the landlord invoked. Once invoked, a claimant cannot request another Direct Payment to themselves, until six months after the arrears are repaid in full.

Payments to the Social Housing Sector are automated; however all payments to private landlords are processed manually and again, we are working closely with DWP to secure an automated process. This is a particularly labour intensive area which given its manual nature, can be more prone to error. Accordingly, additional staff resources are being deployed both on processing and checking this flexibility, pending the automation of this process. Funding for these flexibilities is provided through the NI Executive's Fresh Start Agreement.

Split Payments

Unlike the other flexibilities, the Split Payment flexibility is not set as a default position and instead relies on a claimant requesting that their payment is split between members of a couple in a joint claim. There are no preconditions for the granting of a split payment and there is a clerical process in place to deal with any such requests.

To date there have been no requests for Split Payments in Northern Ireland. We recently completed some analysis on this flexibility which showed that approximately 9 out of 10 claims in Northern Ireland were made by single people, with a consequent 1 in 10 claims from couples. We further examined a small investigative sample of 100

of the couple claims which showed that 73 claims were being paid to the bank account of the female and 27 to the bank account of the male. The department continues to publicise the availability of a split payment within Northern Ireland.

In the event of a request for a split payment, a Decision Maker will consider the claimant and partner's circumstances in order to determine how to apportion the payment. In doing so, they will consider elements such as:

- who is in receipt of carer's element (if applicable)
- who is the main carer of any children
- if either the claimant or partner is in receipt of earnings/other income.

There is no right of appeal against a decision to split the payment or the manner in which a payment is split, however the decision can be challenged by judicial review.

I can confirm that the calculation and decision making around split payments is an entirely clerical process. The Department continues to engage with the Department for Work and Pensions (DWP) regarding specific Northern Ireland enhancements to the UCFS system to maximise automation where possible.

Consistency in Decision Making

The Department has gone to great lengths to ensure that our staff deliver a professional and effective service to our customers. All of our staff receive comprehensive training to equip them with the skills and knowledge for their role. Additionally there are robust processes in place to provide staff with the most up to date guidance.

Decision Makers can access direct support and advice through the Department's Decision Making Services; we also have a Decision Making forum to support effective Decision Making.

Feedback

Whilst the Department does not have formal feedback from claimants, anecdotal evidence suggests the Northern Ireland payment flexibilities are a positive feature and have been well received by the Advice Sector in Northern Ireland.

I trust you find this helpful. I have copied this correspondence to Neil Couling, Universal Credit Director General in DWP who may wish to respond in relation to the Scottish Government position.

Yours sincerely

Tracy Meharg

**TRACY MEHARG
PERMANENT SECRETARY**

Cc Neil Couling