Dear Mike

Question for Short Debate on the setting of Universal Credit conditionality when children are in distress, 4 February 2015

I am grateful to all Lords who spoke in the above Question for Short Debate on 4 February 2015 and am pleased to respond to the questions raised that I did not have time to deal with.

May I also take this opportunity to confirm that, as part of the progressive and secure roll-out of Universal Credit, 32 Jobcentres areas are currently supporting families in the North West and 96 live sites will be taking claims from families from 2 March 2015.

Operation of conditionality easements

You asked about the relationship between the conditionality easements introduced as a result of this review\(^1\) and existing temporary and domestic emergency provision.

Where other easements may be available concurrently, claimants will be advised on the most appropriate conditionality easement for them. It is not possible to take two easements at the same time.

In addition, beyond the initial distress easement periods, Work Coaches use their discretion to tailor requirements based on claimants’ individual circumstances. This includes reducing or temporarily lifting claimants’ ongoing requirements where appropriate, including when dealing with a domestic emergency.

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\(^1\) Universal Credit and Miscellaneous Amendments (No. 2) Regulations 2014 Regulation 8
Widowed Parent’s Allowance

You also raised a question around the interaction between Universal Credit, Widowed Parent’s Allowance and the tax system. This is a topic we spent some time on during the passage of the Pensions Act 2014 and I do understand the concerns raised.

There are clear principles in Universal Credit about the treatment of earnings and income, which is deducted pound-for-pound from the Universal Credit award. This tapered reduction in benefits, as earnings increase, is key to Universal Credit’s clear work incentives. As Widowed Parent’s Allowance is taxable, in a small number of cases (where a person is claiming both Universal Credit and Widowed Parent’s Allowance, and paying tax), they could be slightly worse off than if they only claimed one benefit.

We have also introduced protections for claimants already on benefits with no change of circumstances so they will not lose out in cash terms as a direct result of moving to Universal Credit. In addition, those not eligible for transitional protection have the option to relinquish their entitlement to Widowed Parent’s Allowance and receive Universal Credit entitlement in full. If the Universal Credit award ends then (as long as the claimant continues to meet the qualifying conditions) Widowed Parent’s Allowance can be re-claimed.

From April 2017 the existing bereavement benefits will be replaced by Bereavement Support Payment for new claimants. These payments will not be taxed and will be disregarded from Universal Credit.

Communications

Baroness Sherlock asked how we will ensure any eligible parent will be aware of the easements available for child distress.

The relationship between the Work Coach and claimant should encourage open discussion and Work Coaches are trained to build a relationship with claimants and to discuss these issues sensitively. When a claimant in this situation explains their circumstances it will trigger the Work Coach to consider whether the distress provisions might apply and to discuss this in more detail with the claimant. In particular where a claimant has already had an easement as a victim of domestic violence or following bereavement, this will signal to the Work Coach that ongoing tailoring of requirements must be actively considered, including child distress easements where appropriate.
Role of Decision Makers

Baroness Sherlock also asked about the role of Decision Makers and whether a claimant would be sanctioned where easements have not been applied.

Work Coaches are responsible for applying the one month easement for child distress. If an easement is not applied and the claimant disagrees they can ask for a review by another Work Coach.

If an easement has not been applied and a claimant fails to comply with their requirements they are asked to provide good reason. This will be considered by a Decision Maker. Where good reason is established, no sanction will be imposed. We have updated the Advice for Decision Makers Guide to ensure that Decision Makers are aware of, and understand, these child distress provisions.

Evaluation

Baroness Sherlock asked what our plans are for evaluating the introduction of the changes introduced as a result of the review.

The Department will monitor the impact of the changes and will be gathering informal evidence and feedback from a number of sources including from staff delivering the service. This is part of the Test & Learn approach we have adopted in Universal Credit where we continuously review and improve our processes, guidance and service.

I hope this letter is helpful. I am copying this letter to all Peers who spoke in the debate and will place a copy in the House library.

Yours sincerely,

David

Lord Freud
Minister for Welfare Reform

CC:
Bishop of Portsmouth
Baroness Miller of Chilthorne Domer
Baroness Finlay
Baroness Sherlock