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Thank you very much for your contributions to the debate on 19 June 2019 following my Oral Statement on the introduction of the government's Breathing Space scheme.

You asked for more detail on the timing of including certain elements of Universal Credit in the breathing space scheme.

As you note, the government agrees on the importance of including a broad range of debts in the scheme, including those owed to central and local government. This will make sure that the protections will properly reflect the issues faced by those in problem debt.

To this extent, the government's consultation response made clear that the policy will cover debts owed to DWP through benefit overpayments or from benefit advances – whether on legacy benefits or Universal Credit. However, whilst Universal Credit overpayments will be included in the scheme from day 1, this will not be possible for Universal Credit Advances, or for third party deductions from Universal Credit which are used to repay other creditors.

The reason for this is that, whilst it has been possible to identify a way to include Universal Credit overpayments in the scheme without significant IT change, this has not been possible in the case of Universal Credit Advances or third-party deductions. The significant IT changes required for these elements will need to align with the timeline and requirements of the wider Universal Credit programme. I can assure you the government will work to ensure these elements of Universal Credit are included as soon as possible after the start of the policy in 2021.

I am copying this letter to Lord Stevenson of Balmacara and will also place a copy in the House library.

LORD YOUNG OF COOKHAM