

EXPLANATORY MEMORANDUM TO

THE SOCIAL SECURITY (RESTRICTIONS ON AMOUNTS FOR CHILDREN AND QUALIFYING YOUNG PERSONS) AMENDMENT REGULATIONS 2017

2017 No. 376

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

- 2.1 The Welfare Reform and Work Act 2016¹ (the "2016 Act") amends the Welfare Reform Act 2012² (the "2012 Act") to restrict the number of additional amounts of Universal Credit payable in respect of children or qualifying young persons ("QYPs") to a maximum of two and remove the higher rate for the first child or QYP. The purpose of this instrument is to prescribe exceptions, transitional arrangements and savings with regards to these changes, and to make consequential changes to other legislation.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

Other matters of interest to the House of Commons

- 3.2 As this instrument is subject to negative resolution procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage

4. Legislative Context

- 4.1 The 2016 Act restricts the number of children or QYPs in respect of whom the Child Element in Universal Credit and the individual Child Element of Child Tax Credit is payable to a maximum of two. Four exceptions to this restriction were announced during the passage of the Welfare Reform and Work Bill through Parliament and at Summer Budget 2015³. The exceptions recognise that some parents or carers of children are not in the same position to make choices about the number of children in their family as others are.
- 4.2 This instrument provides for implementation of the exceptions in Universal Credit. Regulations made by Her Majesty's Revenue and Customs will implement similar exceptions to the limiting of entitlement to the individual Child Element in Child Tax Credit to a maximum of two children or QYPs.

¹ <http://www.legislation.gov.uk/ukpga/2016/7/contents>

² <http://www.legislation.gov.uk/ukpga/2012/5/contents>

³ <https://www.gov.uk/government/topical-events/budget-july-2015>

- 4.3 The Government has also announced that there will not be cash losers as a result of the new restrictions introduced by the 2016 Act. This instrument therefore also makes transitional arrangements to protect households who have been in receipt of support for children or QYPs in Universal Credit, Tax Credits, Income Support for Jobseeker's Allowance in the last 6 months, so that their existing level of entitlement is maintained, for as long as they remain entitled to the benefit (disregarding short breaks in entitlement) and responsible for the same children and QYPs.
- 4.4 The 2016 Act also removes the higher rate of Child Element for the first child or QYP. The Secretary of State announced in a Written Ministerial Statement on 20 July 2016⁴ that the higher rate would only be removed where the eldest child for whom the claimant is responsible is born on or after 6 April 2017. This instrument thus protects entitlement to the higher Child Element for the eldest child or QYP where that child or QYP, for whom the claimant is responsible, is born before 6 April 2017.
- 4.5 This instrument also introduces a transitional period during which new claims to Universal Credit from families with more than two children or QYPs will be directed to Tax Credits (and other legacy benefits), from 6 April 2017 until 31 October 2018, as was also set out by the Secretary of State in the Written Ministerial Statement on 20 July 2016.
- 4.6 Finally, this instrument makes consequential changes to Housing Benefit, Income Support and Jobseeker's Allowance to reflect the restrictions in sections 13 and 14 of the 2016 Act.

5. Extent and Territorial Application

- 5.1 The extent of this instrument is Great Britain.
- 5.2 The territorial application of this instrument is Great Britain.
- 5.3 Equivalent legislation will be made for Northern Ireland.

6. European Convention on Human Rights

- 6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

Background

- 7.1 In Universal Credit a person is deemed responsible for a child or QYP who is normally living with them. For Universal Credit purposes, a "child" means someone under the age of 16, while a QYP is a young person aged 16 or over and below the age of 20, who has enrolled, accepted or started in full-time, non-advanced education (e.g. A-levels) or approved training before the age of 19.
- 7.2 The Child Element in Universal Credit largely mirrors Child Tax Credit. Prior to the restrictions made by the 2016 Act, which take effect from 6 April 2017, an amount was payable under section 10 of the 2012 Act for each child or QYP for whom a claimant is responsible (which reflects the individual element in Child Tax Credit),

⁴ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-07-20/HCWS96/>

with a higher amount payable for the first child or QYP (reflecting the family premium in Child Tax Credit).

- 7.3 An additional amount is payable for each child or QYP who is disabled (reflecting the increase for a disabled child or QYP in Child Tax Credit) and this is not changed by the new restrictions introduced by the 2016 Act.

What is being done and why

- 7.4 The restrictions introduced by the 2016 Act mean that, from 6 April 2017, the Child Element in Universal Credit will no longer be awarded in respect of third or subsequent children for whom the claimant is responsible. In recognition of the fact that some parents or carers for children are not in the same position as others to make choices about the number of children in their family, the regulations amend the Universal Credit Regulations 2013⁵ to provide for exceptions to this restriction on entitlement to the Child Element. There are four main exceptions in respect of third and subsequent children or QYPs who are: -
- born to the claimant in a multiple birth, other than the first child in that birth
 - adopted from Local Authority care
 - living long term with family or friends in a formal caring arrangement or because they would otherwise be likely to be looked after by the Local Authority, or alternatively, the child of a child for whom the claimant is also responsible; or
 - likely to have been born as a result of sexual intercourse to which the claimant did not or could not consent, or conceived at a time when the claimant was in a controlling or coercive relationship.

Determining third or subsequent children

- 7.5 The regulations include an ordering provision to determine, where the claimant is responsible for more than two children or QYPs, which of them are first and second (for whom the Child Element is payable) and which are third and subsequent. The children and QYPs in an award are each assigned a date, which are then put into chronological order. Where the claimant (or their partner, if they are in a couple) is the natural parent or step-parent of the child or QYP, that date will be their date of birth (Paragraph (1)(a)). However, if the claimant (or their partner, if they are in a couple) is not a natural parent or step-parent (e.g. when the child is adopted or in a non-parental care arrangement), that date is the date on which the claimant or their partner became responsible for the child.
- 7.6 Where the date is the same for two or more children or QYPs in the household (e.g. in the case of a multiple birth or group adoption), the regulations give the Secretary of State discretion to determine the order of those children and QYPs as between themselves. In the majority of these cases, how they are ordered will not make a material difference in entitlement, but the provision is necessary to establish an order for effective administration of the claim.
- 7.7 Similar discretion is provided for in the case where a claimant gave birth to a child less than 10 months after becoming responsible for a child or QYP who meets the conditions for the non-parental care exception (under paragraph 4 of the new Schedule

⁵ <http://www.legislation.gov.uk/ukxi/2013/376/contents>

12 to the Universal Credit Regulations 2013). In that case, the order, as between those two children or QYPs, must be that which maximises the number of Child Elements that the claimant will receive - therefore, where they are second and third in the household, the children may be re-ordered so that the claimant is entitled to the Child Element for both the natural child (as the second child in the order) and the additional child or QYP (as the third child in the order, under the non-parental care exception).

- 7.8 On the basis that it is not operationally feasible to consider the historic circumstances in which children were born, eligibility for the Child Element will be based on the claimant's circumstances and composition of the household at the point at which they claim (and re-assessed when there is a relevant change of circumstance). For example, if one of the first two children in a three child household left the household, the third child would become the second child, and the claimant would receive the Child Element in respect of that child.

Exception for children born as part of a multiple birth (Paragraph 2 of new Schedule 12)

- 7.9 Ordinarily, families will not be able to plan for a multiple birth when considering whether they can afford to look after an additional child. In recognition of this, the exception will apply to all third or subsequent children or QYPs in a household who are born to a claimant as part of a multiple birth, apart from one child or QYP in that birth (i.e. it will apply only to the additional children/QYPs in that birth).

Exception for children adopted from local authority care (Paragraph 3 of new Schedule 12)

- 7.10 The government is committed to supporting families who adopt vulnerable children from local authority care. On that basis, the regulations provide an exception in respect of all third or subsequent children who are adopted by a claimant from local authority care.
- 7.11 The exception will apply from the date the claimant becomes responsible for the adopted child or QYP. This could be the date of formal adoption, or the date of placement, depending on when legal parental responsibility for the child or QYP passes to the claimant. The exception will not apply to adoptions directly from abroad, or where the claimant or their partner was, immediately prior to the adoption, a step-parent of the child or QYP, as this would not be a net benefit to the public sector (such children would not otherwise be in local authority care).

Exception for children in non-parental care arrangements (Paragraph 4 of new Schedule 12)

- 7.12 Sometimes children or QYPs are cared for by family or close friends in what are informally referred to as "kinship care arrangements". Claimants in these situations may be entitled to receive the Child Element of Universal Credit in respect of those children or QYPs and might therefore be affected by the new restriction.
- 7.13 The Government recognises that it is often better for the welfare of children or QYPs to be living with family and friends than to be looked after by the local authority and that family and friends carers in this situation may not be in the same position to make a choice about the number of children in their family as others.
- 7.14 The exception will apply where a formal caring arrangement is in place, such as where the claimant is appointed by a court as legally responsible for the child or QYP, and/or as a person with whom the child or QYP is to live, and where the caring arrangement is made on an informal basis. In the case of informal caring arrangements, the

exception will only apply if it is likely that the child would otherwise be looked after by a local authority. The claimant will need to provide supporting evidence from a local authority social worker.

- 7.15 This exception will also apply to third or subsequent children or QYPs who are born to a child aged under 16, for whom the claimant is also responsible. This exception will remain in place until the young parent turns 16 and is able to claim UC on their own (see regulation 8(1)(d) of the Universal Credit Regulation 2013), or if the claimant ceases to be responsible for them before they reach the age of 16.
- 7.16 The teenage pregnancy rate is at its lowest for over 40 years and rates have declined by 29 per cent since 2010. Continuing to reduce the rate of conceptions in the under 18 age group is one of the ambitions set out in the Government's policy on sexual and reproductive health⁶. Where a child does become a parent it is generally in their best interests to continue to live with their parents or carers. It is for this reason that the Government believes it is right to support claimants in these circumstances and to make an exception for the new child, where that child is the third or subsequent child in the claimant's household.

Exception for children born as a result of non-consensual conception (Paragraph 5 of new Schedule 12)

- 7.17 This exception will apply to a natural parent in respect of a third or subsequent child or QYP who is likely to have been conceived as a result of sexual intercourse to which they did not or could not consent. This also means that it will apply to a claimant in respect of a child who is likely to have been conceived at or around a time when the claimant was subject to ongoing control or coercion by the other parent of the child.
- 7.18 The Government recognises that this exception deals with an extremely sensitive issue and has taken care to design the policy to strike the right balance between ensuring claimants get the support they need in a not overly intrusive manner whilst at the same time providing the right assurance to Government that the additional support is going to those for whom it is intended.
- 7.19 Eligibility for this exception will normally be determined by using a third party evidence model, whereby a claimant requests the exception and engages with a third party - a specified professional – to provide evidence which demonstrates to DWP that the claimant has been in contact with them (or another approved professional) and that their circumstances are consistent with those of a person who meets the conditions of the exception. Thus claimants are not placed in the position of having to give details about the circumstances of the conception to DWP officials and the eligibility criteria for the exception can be met without a conviction or any judicial finding. The exception will also apply where there has been a conviction for the criminal offence of rape or controlling or coercive behaviour in an intimate or family relationship, or a relevant criminal injuries compensation award.
- 7.20 Where evidence is provided from a third party professional, the regulations allow DWP to determine that the test for the exception has been met, in reliance on that third party evidence, on the balance of probabilities (as opposed to "beyond reasonable doubt"). As such, DWP will not be making a judgment on the criminal guilt of the

⁶ 15 March 2013. Framework for Sexual Health Improvement in England
<https://www.gov.uk/government/publications/a-framework-for-sexual-health-improvement-in-england>

other party to the sexual intercourse, where there has not been a judicial determination.

- 7.21 The third parties from whom evidence will be accepted will be professionals within categories approved by the Secretary of State, acting in their official capacity. These are not specified in the regulations, but will instead be set out in guidance, in order to retain flexibility to adjust the list in the future. The initial list will include health professionals, registered social workers and relevant approved specialist charities.
- 7.22 In order to qualify for this exception, the claimant must not be living with the other party to the sexual intercourse. This condition is to be fulfilled by the self-reporting of the claimant (who will not be required to disclose the identity of that other party), unless there is evidence to the contrary. The Government recognises that victims' circumstances differ and its intention is to minimise the risk of harm to the victim, whilst acknowledging that not all victims will feel able to leave the perpetrator, and that some victims may return to the perpetrator later in time. However, paying the Child Element to claimants for third and subsequent children or QYPs born in these circumstances, where they have not left the alleged perpetrator, could allow the alleged perpetrator to financially benefit from the abuse (as Universal Credit is paid to couples on a joint basis). It would also put them in an advantageous position in comparison to other families who would be limited to support for two children or QYPs.

Continuation of existing exception in a subsequent award

- 7.23 Ordinarily, 'step-parents' will be excluded from claiming the exceptions in their own right. The non-consensual conception exception and the multiple birth exceptions recognise the original lack of choice in relation to the number of children and therefore apply only where the claimant, or one or both joint claimants, is the natural parent (i.e. a step-parent can only gain entitlement to either of these exceptions as part of a joint award with the natural parent).
- 7.24 In the case of the adoption and friend or family carer exceptions, step-parents are excluded from entitlement entirely to prevent abuse of the system (e.g. where a step-parent could deliberately separate from the child's parent in order to gain an exception in a new, separate claim, for a child who would not have been exempt had the couple not separated) and to ensure these exceptions are only available where the child or QYP is already, or would otherwise be likely to be looked after by the local authority.
- 7.25 While step-parents cannot claim the exceptions in their own right, the regulations allow for an exception that was in place in a previous joint award (with a natural or adoptive parent) to continue to be applied in a subsequent award made to step-parent where they remain responsible for the relevant child or QYP (paragraph (6) of the new Schedule 12). This is to avoid a cash loss for the step-parent as a result of the exception conditions no longer being fulfilled in the case where the joint claimant (the natural or adoptive parent) dies or otherwise leaves the household. The continuation provision will apply in respect of the multiple birth, adoption and non-consensual conception exceptions only; it is not needed in respect of the 'friend or family' exception, because the claimant would not be a 'step-parent' of the child or QYP in that scenario and could continue to claim it in their own right.
- 7.26 This continuation provision will apply until either the step-parent is no longer responsible for the relevant child or QYP (i.e. no longer a 'step-parent'), or there is a break in entitlement to Universal Credit of over 6 months.

Transitional arrangements and savings

- 7.27 The Regulations introduce a transitional "Interim Period", from 6 April 2017 until 31 October 2018, during which first time claims to Universal Credit (or those made more than 6 months after the end of a previous award) from families with more than two children or QYPs will not be accepted. These families will be directed to claim legacy benefits (i.e. those being replaced by Universal Credit, such as Tax Credits, Jobseeker's Allowance, Housing Benefit).
- 7.28 This policy was announced by the Secretary of State⁷, as part of a package of changes to ensure that the Universal Credit rollout for all claimant types is delivered in an orderly and successful manner; that claimants receive the support they need in a timely fashion; and that welfare reforms are delivered safely as the roll out continues. The regulations also give the Secretary of State discretion to extend the interim period where necessary to protect the efficient administration of Universal Credit.
- 7.29 The regulations also introduce transitional arrangements to ensure that, during the Interim Period, claimants in Universal Credit will never receive fewer Child Elements than the number of children and QYPs in their household born before 6 April 2017. This will ensure parity with claimants who are directed to Child Tax Credits during this period.
- 7.30 After the Interim Period ends, new claims from families with more than two children or QYPs will be taken through Universal Credit and the restriction on entitlement to the Child Element will also apply to all third or subsequent children or QYPs (not only those born on or after 6 April 2017). In order to protect claimants against cash losses and to maintain the incentive for them to take short-term work, the regulations introduce transitional provisions to protect the number of Child Elements being paid where children and QYPs born before 6 April 2017 have been part of a Child Tax Credit or Universal Credit award in the last 6 months.
- 7.31 Claimants who were entitled to an award of Universal Credit (or were within the 6 month reclaim/reaward period) at the end of the interim period will be entitled to transitional provision in respect of children and QYPs, born before 6 April 2017, who were part of that claim. Similarly, claimants who begin a new Universal Credit claim, or join an existing one, within 6 months of receiving a payment of the individual element of Child Tax Credit (or support for children in Income Support or Jobseeker's Allowance) are entitled to transitional provision in respect of third and subsequent children or QYPs, born before 6 April 2017, who were part of that claim.
- 7.32 Claimants will remain entitled to transitional provision for a third or subsequent child or QYP for as long as they remain responsible for them and do not have a break in Universal Credit entitlement of more than 6 months. Transitional provision is also maintained through family formation changes, such as splitting from a partner in a joint claim, or coupling to form a new joint claim.
- 7.33 The effect of the transitional arrangements is that, wherever an award of Universal Credit includes children or QYPs to whom transitional provision applies, the household will receive the Child Element for at least that number of children or QYPs. For example, a household where transitional provision applies to two children would

⁷ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-07-20/HCWS96/>

receive the Child Element for two children, but not for any more children (unless an exception applies).

- 7.34 The transitional arrangements do not apply to exceptions, as these will continue to apply in future award, for as long as the conditions are met. For example, an exception for non-parental care or adoption would cease to apply if the claimant subsequently partnered with the child's parent.
- 7.35 The regulations introduce a savings provision such that the policy to remove the higher rate of Child Element for the first child in Universal Credit will only apply where the eldest child is born on or after 6 April 2017, aligning the treatment of families within Universal Credit to that in Tax Credits, as announced by the Secretary of State in the Written Ministerial Statement on 20 July 2016.

Consequential changes

- 7.36 The regulations make consequential changes in relation to those claimants in receipt of Income Support or a Jobseeker's Allowance who continue to receive an amount ("the Child Element") for each child or young person in their family as part of their award. These changes are being made to mirror Child Tax Credit for the small number of claimants who have not had their support for children transferred to Child Tax Credit and who have been in continual receipt of a Child Element since before April 2004.
- 7.37 The effect is that no additional Child Element will be awarded for third and subsequent children or young persons who are born on or after 6th April 2017, except for those who meet the exceptions set out in new Schedule 12 of the Universal Credit Regulations 2013.
- 7.38 The regulations will also disregard Child Benefit paid for a child or young person for whom an Income Support or Jobseeker's Allowance claimant will not receive the Child Element due to the maximum limit being applied.
- 7.39 The regulations also make consequential changes to Housing Benefit (HB). They amend the Housing Benefit Regulations 2006⁸ and the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006⁹. The changes to HB are required so that claimants would not receive a higher award of HB as a result of the limitation of support via Child Tax Credit to a maximum of two children. Child Tax Credit is taken into account as income in working age HB, but is offset by an equivalent increase in the HB applicable amount. If claimants were to continue to receive an addition to the applicable amount for each extra child, despite being limited to a maximum of two children for Child Tax Credit purposes, their Housing Benefit award would be higher than it should be.
- 7.40 This restriction in HB will only apply to the additions made to the applicable amount in respect of each child. Every child in the household will continue to be taken into account for the purposes of other elements of HB entitlement, such as determining the number of rooms a claimant is deemed to need.
- 7.41 The regulations prescribe that the local authority will use the Child Tax Credit decision to base their decision on whether to include a third or subsequent child in the

⁸ <http://www.legislation.gov.uk/uksi/2006/213>

⁹ <http://www.legislation.gov.uk/uksi/2006/214>

HB applicable amount (i.e. whether the third or subsequent child(ren) count as exceptions to the general rule). This is intended to avoid the need for different decision makers having to consider whether such an exception applies. For the case in which a person does not claim Child Tax Credit, the regulations provide for a default rule, which is that a maximum of two amounts for children or young persons will be included in the applicable amount.

- 7.42 The regulations provide a transitional provision, which protects the position of a person who is entitled to HB on 5th April 2017 and who is responsible for more than two children or young persons ("protected individuals"). The regulation provides that the amendments to HB do not apply until the person makes a new claim for housing benefit or becomes responsible for a new child or young person, whichever occurs first. It also provides for the way in which the above default rule is to apply where a family consists of both a new child or young person and protected individuals, and a new claim for housing benefit has not been made

Consolidation

- 7.43 Informal consolidated text of instruments is available to the public free of charge via 'the National Archives' website legislation.gov.uk."

8. Consultation outcome

- 8.1 We have formally consulted on the exceptions to the policy to limit the individual Child Element of Child Tax Credit and the Child Element of Universal Credit to a maximum of two children. The consultation ran from the 21 October 2016 to 27 November 2016. We also conducted initial discussions with a wide range of stakeholders, including charities, Government departments, and groups involved in supporting victims of rape, to help us to formulate the initial proposals.
- 8.2 In total there were 82 responses to the consultation, with around 50 from organisations. A summary of the responses to the specific questions of the consultation can be found in the Government's response, published on 20 January 2017¹⁰. The Government has listened to stakeholders and has made a number of changes to the implementation of the policy, in light of the consultation responses and stakeholder discussions, which are reflected in the regulations.
- 8.3 First, the multiple birth exception has been expanded so that the Child Element is awarded for all third or subsequent children or QYPs in a family born as part of a multiple birth, other than one child or QYP in that birth. Where the first or second child in the household is born in a multiple birth, a Child Element will also be awarded for the additional children in that birth who are third or subsequent in the household. This change was supported by the consultation responses.
- 8.4 Secondly, a number of respondents to the consultation noted that some of the relevant court orders, to be accepted as evidence of a formal non-parental caring arrangement, expire when a child reaches age 16. Consequently, where this happens, the regulations have been drafted to allow that that child (now a QYP) is, or remains, exempt, if the responsible adult has been continuously responsible for them since that time.

¹⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/584802/government-response-to-universal-credit-and-child-tax-credit-exceptions-to-the-2-child-limit-consultation.pdf

- 8.5 Thirdly, in respect of the exception for children and QYPs likely to have been born as a result of non-consensual conception, in light of stakeholder concerns, there will be no time limit placed on when the report needs to be made to the third party professional after the actual alleged incident that resulted in the pregnancy.
- 8.6 The list of third parties from whom we will accept evidence in the case of the rape exemption will not be listed in the Regulations, but will instead be set out in guidance, so as to retain flexibility to adjust the list in the future.
- 8.7 The exemption for non-consensual conception has been extended to also include claimants who were subject to coercion and control, at or around the time of the conception, by the other party to the sexual intercourse.
- 8.8 In addition to the public consultation on exceptions, the Social Security Advisory Committee has considered these regulatory changes under informal arrangements with DWP and its Memorandum of Understanding with HMT and HMRC.
- 8.9 The Chairman of the committee has since written to the Minister for Employment¹¹ to note their observations. These primarily focussed on the challenges faced in implementing the exception for non-consensual conception in a sensitive manner. The Government acknowledges the sensitive nature of this exception and the challenges that creates and will set up procedures that are mindful of the sensitivities involved.
- 8.10 DWP have consulted Local Authorities via the Local Authority Associations on the draft consequential amendments to Housing Benefit regulations. The Local Authority Associations raised a number of queries about the detail of the policy and administrative processes, all of which were addressed and which will be reflected in guidance.

9. Guidance

- 9.1 These changes will be communicated to operational staff through implementation updates and updates to operational guidance before the policy is implemented. Guidance will also be made available to Local Authority staff and other third party professionals before the regulations come into force.
- 9.2 We will communicate the changes to external stakeholders through our national DWP/HMRC forums and our local Partnership manager networks. Information will be made available on GOV.UK, to inform claimants and ensure they take the correct action based on their individual household circumstances.

10. Impact

- 10.1 There is no impact on business, charities or voluntary bodies. The Regulations do not impose any regulatory requirements on persons or organisations outside government. Nevertheless, as a result of using a third party evidence model to determine eligibility to the non-consensual conception exception there will be some indirect impact on charitable and voluntary organisations listed as approved third parties by the Secretary of State. Charities and voluntary bodies will also wish to update their guidance to advisers and claimants to reflect the exceptions set out in these amending regulations. The scale of this impact will depend on which organisations claimants choose to seek

¹¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/590932/ssac-to-damian-hinds-2-child-exceptions.pdf

third party evidence from, as they may choose to seek evidence from other non-charitable organisations e.g. health care professionals.

- 10.2 The impact on the public sector is estimated to be around £170m in respect on increased UC expenditure, once Universal Credit is fully rolled out and the policies are applied to all households (which could take up to 20 years). The changes will also introduce additional complexity into the design of Universal Credit, Child Tax Credit, Housing Benefit, and potentially to a limited extent Jobseeker's Allowance and Income Support. The government considers that these costs are justified by the benefits of ensuring that those parents or carers of children who are not in the same position to make choices about the number of children in their family as others are will be exempted from new restrictions introduced by the 2016 Act, and that there will be no cash losers as a direct result of the introduction of the new restrictions.
- 10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

- 11.1 The legislation does not apply to activities that are undertaken by small businesses.

12. Monitoring & review

- 12.1 The Universal Credit Evaluation Framework, sets out our broad intentions for evaluation, including impact measurement. This provides an overview of plans for evaluating the introduction, implementation, delivery and impact on Universal Credit. Changes to Universal Credit policy and/or regulations will be reviewed in line with the framework as we continue with national rollout of Universal Credit.

13. Contact

- 13.1 David Higlett at the Department for Work and Pensions, Telephone: 0207 449 7286 or email: David.Higlett@dpw.gsi.gov.uk can answer any queries regarding the instrument.