

POLICY NOTE

THE UNIVERSAL CREDIT (CLAIMS AND PAYMENTS) (SCOTLAND) REGULATIONS 2017

SSI 2017/227

The above instrument was made in exercise of the powers conferred by section 5(1)(i) and (p) and section 189(4)(a), (5) and (6) of the Social Security Administration Act 1992 and all other powers enabling Ministers to do so. The instrument is subject to negative procedure.

Policy Objectives

Universal Credit (UC) is a single payment for working age people which replaces some other benefits¹ and is reserved to the UK Government. Currently, UC is paid monthly and the housing element of UC is paid direct to the claimant who then must arrange for payment to their landlord to cover the rent and service charges.

Sections 29 and 30 of the Scotland Act 2016 allow Scottish Ministers to introduce flexibilities in relation to UC, including with regard to the person to whom, and the time when, UC is to be paid. The objective of the flexibilities is to enable the delivery of UC to be better suited to the needs of people in Scotland.

The two priority flexibilities being progressed through the Universal Credit (Claims and Payments) (Scotland) Regulations 2017 are:

- having the option of being paid UC twice a month rather than monthly; and
- having the option of any UC housing element being paid direct to social and private sector landlords.

The overall aim is to give persons applying for UC in Scotland more power and choice over the way in which their UC payments are made. The regulations are designed to offer an individual a choice to have payments made twice monthly. The regulations also offer an individual the opportunity to have their housing element of UC paid direct to their landlord (social and private sector). The intention is to help the person applying for, or in receipt of, UC to manage their UC account in a way that suits them best to assist with household budgeting, securing their tenancy and avoiding any build-up of rent arrears.

The regulations will not affect the overall amount of UC that is payable. Nor will the regulations replace the Department for Work and Pensions (DWP) system for Alternative Payment Arrangements which will continue to operate for those who fall under the current criteria of requiring them (e.g. as a result of a vulnerability or rent arrears). As UC remains reserved to the UK Government, the flexibilities in these regulations will be delivered by DWP on behalf of the Scottish Government.

The regulations apply to new claimants in full service UC areas. A full service UC area is one where a person has an online UC account to manage his/her claim. Full service UC is being

¹ Income-based Jobseeker's Allowance; Housing Benefit; Working Tax Credit; Child Tax Credit; income-related Employment and Support Allowance; and Income Support.

rolled out across the UK and should be concluded in September 2018 for all new claims, and managed migration of existing benefit claimants is due to be completed in March 2022.

Consultation

On 16 January 2017, the Scottish Government launched a consultation seeking views on draft Universal Credit (Claims and Payments) (Scotland) Regulations 2017. It ended on 13 March 2017 and 100 responses were received; 70 from organisations and 30 from individuals.

The consultation asked if the draft regulations met the policy intent of offering a choice to applicants on having their UC payments made twice monthly and also the choice of managed payments of rent direct to landlords.

An independent analysis of the consultation responses was carried out by Craigforth and the full report is available at: <http://www.gov.scot/Publications/2017/06/7377>. On the frequency of payment question, 88 out of 100 respondents thought the draft regulations met the policy intent. On the question of managed payments of rent to landlords, 87 out of 100 respondents thought the policy intent was met.

Other comments were also received, many of which were outside the remit of the consultation, and indeed the powers available to the Scottish Government through the Scotland Act 2016. These included how the flexibilities would work in practice, for example, the relationship with Alternative Payment Arrangements, how an applicant appeals a decision and what are the circumstances for refusal. The importance of making claimants aware of the choice of the Scottish flexibilities was also stressed by a number of respondents.

A number of changes were made to the UC draft regulations based on respondents' views.

A full list of respondents who agreed to their details and submission being published is on the Scottish Government website. It includes CoSLA, Citizens Advice Scotland, Child Poverty Action Group and a large number of local authorities and housing associations.

The Scottish Government response to the independent analysis of the consultation responses is available at: <http://gov.scot/Publications/2017/06/8512>

Impact Assessments

An integrated impact assessment has been completed on the policy and a results template is available at: <http://www.gov.scot/Publications/2017/01/5228>. No negative impacts of the policy have been identified for any of the protected characteristics. The Equality Impact Assessment process has not altered the policy intention but it has identified evidence gaps and potential data needs going forward to allow for policy implementation to be monitored across equality groups. An updated EQIA will be published before the regulations come into effect on 4 October.

Financial Effects

A Business and Regulatory Impact Assessment (BRIA) has been completed and is attached. The impact of this policy on business is minimal.

Scottish Government
Social Security Directorate

29 June 2017