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Rt Hon Richard Benyon MP  
House of Commons

Our ref: MC2019/09033

10<sup>4</sup> April 2019

Dear Richard,

Thank you for your letter of 1 March regarding the rollout of Universal Credit and the recent stakeholder roundtable you hosted.

I am so pleased to read that the improvements we have recently made have been well received and that the positives of Universal Credit are being recognised. You have raised four areas where attendees at the roundtable felt there could be further improvement and I shall address these in turn.

As you know we have already made advances more generous, removed the 7 day waiting period, and provided an additional payment of 2 weeks of Housing Benefit payments. In addition, we have changed guidance to help ensure claimants previously in receipt of Housing Benefit coming to Universal Credit continue to get their rent paid direct to their landlord as early as possible.

This means that no claimant waits more than 5 weeks to receive their first regular Universal Credit payment and that there is support to get more money upfront into claimants' hands should they need it.

On Universal Credit, our claimant survey found that 98 per cent of people claim online and the majority found the process easy. But for those claimants facing barriers to accessing digital services, we have additional options available:

- claimants coming into a local Jobcentre will find staff available to help them make and maintain their online account;
- claims can be made and managed over the Freephone UC helpline; and
- our new partnership with Citizens Advice will provide tailored support to claimants through the Help to Claim service, and our District Provisioning Tool provides a list of local organisations who can offer basic digital skills support.

In exceptional circumstances, a home visit can be arranged to support a claimant in making their initial claim and completing any other administrative tasks required to ensure the claimant receives the correct payment.



38 per cent of claimants verify their identity successfully online. The figures are based upon claims that successfully had their ID verified and accepted a Claimant Commitment.

The aim of the deductions policy in Universal Credit is to safeguard the welfare of those claimants who have incurred debt. We have announced that, from October 2019, the maximum level of deductions that can be taken from Universal Credit will be reduced from 40 per cent to 30 per cent of the claimant's Standard Allowance.

Additionally, from October 2021, it will be possible to repay new claim and benefit advances over 16 months. This change will ensure that claimants with the highest levels of deductions will be able keep more of their monthly payment. By the end of 2019/20, it is forecast that around 290,000 Universal Credit households will have had reduced deductions, by an average of £295 over the year.

It is the case that rent arrears are complicated. They cannot be attributed to a single cause, and research shows that many claimants come to Universal Credit with arrears. As you may know we have previously introduced a further package of support to help prevent rent arrears, including increasing new claim advances from 50 per cent to 100 per cent of a claimant's indicative award, additional payments of 2 weeks of Housing Benefit to support claimants' transition, and removing the 7-day waiting period for new claims.

The Universal Credit assessment period and payment structure are fundamental parts of the design. They help reduce welfare dependency by mirroring the world of work, where the majority of people are paid monthly or four weekly. Minimising the difference between paid employment and being on benefit effectively removes a key barrier to moving back into work by helping claimants to budget on a monthly basis. Personal Budgeting Support aims to prepare all claimants for the financial changes Universal Credit brings. This is addressed at their initial work search interview to gauge their potential support needs.

Universal Credit is assessed and paid monthly. It is paid in arrears for each calendar month and the amount will not vary to reflect the number of days in the month. Universal Credit is usually paid in a single monthly sum to households.

The way in which payment dates are assigned in Universal Credit is determined by the date of entitlement. The assessment period runs for a full calendar month from the date of entitlement and the Universal Credit pay date will be seven calendar days after the end of the initial assessment period. Subsequent pay dates will be the same each month.

Best wishes,



**Rt Hon Amber Rudd MP**

**SECRETARY OF STATE FOR WORK AND PENSIONS**