

POLICY NOTE

The Universal Credit (Claims and Payments) (Scotland) Amendment Regulations 2017

SSI 2017/436

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 a social security benefit that is reserved to the UK Parliament. Currently, the reserved legislation provides for UC to be paid monthly and for the housing element of UC to be 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 Universal Credit (Claims and Payments) (Scotland) Regulations 2017² came into force on 4 October 2017 and enabled some new applicants for UC to have the options:

- of being paid UC twice a month rather than monthly; and
- of any UC housing element being paid direct to their landlord, whether social sector or private sector.

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 amending Regulations extend these flexibilities to claimants who are currently full service UC claimants, but whose claim began before 4 October 2017. 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 rolled out across Great Britain and the UK Government intends that roll out will be concluded in December 2018 for all new claims, and the managed migration of existing benefit claimants by March 2022.

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).

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

² S.S.I. 2017/227.

Consultation

Before making the Regulations, the Scottish Ministers consulted the Secretary of State for Work and Pensions about the practicability of implementing them, as required by sections 29(4) and 30(3) of the Scotland Act 2016. No wider consultation was undertaken, as the Regulations extend flexibilities that were previously consulted on and widely supported by interested bodies and persons.

Impact Assessments

The extension of Scottish Universal Credit (UC) choices to existing claimants does not alter the integrated impact assessment from 20 January 2017 and is available at: <http://www.gov.scot/Publications/2017/01/5228>.

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

15 December 2017