

EXPLANATORY MEMORANDUM TO
THE UNIVERSAL CREDIT, PERSONAL INDEPENDENCE PAYMENT,
JOBSEEKER'S ALLOWANCE AND EMPLOYMENT AND SUPPORT
ALLOWANCE (CLAIMS AND PAYMENTS) REGULATIONS 2013

2013 No. 380

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

Purpose of the instrument

2. 2.1 This instrument supports the introduction of Universal Credit and Personal Independence Payment. It also supports the administration of contributory-only Jobseeker's Allowance and Employment and Support Allowance.

2.3 It makes provision for claiming and paying the above benefits. It includes provisions for the use of electronic communications; sets out the circumstances in which part or all of a benefit may be paid directly to someone other than the claimant; and sets out provisions for non-payment of the mobility component of personal independence payment and for the Motability scheme.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

3.1 None.

4. **Legislative Background**

4.1 The Welfare Reform Act 2012 (WRA 2012) provides for the introduction of a new income-related social security benefit, Universal Credit, and the abolition of income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Income Support, Housing Benefit, and Child and Working Tax Credits. In addition, Personal Independence Payment will supersede Disability Living Allowance for people aged 16 to 64.

4.2 In many respects, these Regulations carry forward existing provisions in the Social Security (Claims and Payments) Regulations 1987 (S.I.1987/1968) as at: <http://www.legislation.gov.uk/ukxi/1987/1968/contents/made>. In particular, the arrangements for contributory Employment and Support Allowance and a Jobseeker's Allowance are largely unchanged. However, there are key differences resulting from the introduction of Universal Credit and Personal Independence Payment. These Regulations replace, rather than amend, the existing provisions, which have become unwieldy due to the many amendments made over the years.

4.3 These Regulations are made largely under existing powers in the Social Security Administration Act 1992 (as amended by the WRA 2012). The WRA 2012 can be found at: <http://www.legislation.gov.uk/ukpga/2012/5/contents/enacted/data.htm>. In particular,

the amendments made to the 1992 Act by section 104 of the WRA 2012 enable provision to be made in Regulations for claims to, and awards of, Universal Credit to be a predominantly online process, with an online account being the primary channel used to interact with claimants. They also make it more straightforward for claimants with earnings to move on and off Universal Credit by introducing re-awards without a claim being necessary. The Regulations make similar provision for the channels available for making a claim for a Personal Independence. However, claims to Personal Independence Payment will initially be made on the telephone with arrangements to claim on a paper form available exceptionally and by prior arrangement.

4.4 The provisions also recognise the need to cater for claimants who require additional support, both in the claims process, and through the provision of additional support to assist those who have difficulty managing their finances (set out in section 7 below).

4.5 These Regulations are linked to the following statutory instruments:

- The Universal Credit Regulations 2013
- The Universal Credit (Transitional Provisions) Regulations 2013
- The Welfare Reform Act 2012 (Commencement and Transitional Provisions) Order 2013
- The Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Decisions and Appeals) Regulations 2013
- The Jobseeker's Allowance Regulations 2013
- The Employment and Support Allowance Regulations 2013
- The Social Security (Personal Independence Payment) Regulations 2013
- The Social Security (Payments on Account of Benefit) Regulations 2013
- The Social Security (Overpayments and Recovery) Regulations 2013

5. Territorial Extent and Application

5.1 This instrument applies to Great Britain. The Department for Social Development in Northern Ireland will produce its own legislation 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

Making a claim

7.1 As detailed in Regulation 8, Universal Credit has been designed so that claims will normally be made online, with an online account being the primary channel used to interact with the claimant. (Schedule 2 of the Regulations provides for the use of electronic communications). This approach is intended to be more responsive to

changes in a claimant's circumstances and promote behaviours that help the claimant prepare for work. Claims can be amended or withdrawn in writing or by phone at any time before a decision is made on whether to make an award, as outlined in regulations 30 and 31. Once Universal Credit is awarded, regulation 36 provides that it will be for an indefinite period.

7.2 In a 2011 survey, 83% of UK households had internet access, and a survey of existing claimants found 78% already use the internet¹. Online claims for Jobseeker's Allowance have been steadily increasing, with 39% of claims being made by this channel in September 2012, compared with 16% in September 2011. The intention is that by 2017/18 the majority of Universal Credit claimants will make their claim and manage their account online.

7.3 Regulation 8(2) provides that a claim may be accepted by telephone. There will be no paper claim forms for Universal Credit. In exceptional circumstances, face-to-face assistance to make an online claim may be arranged, either in a DWP local office or via a home visit.

7.4 Regulation 6 provides that where Universal Credit claimants' earning levels cause them to no longer be entitled to receive any Universal Credit payments, a re-award can be made without a new claim. This happens if, during the six month period following their entitlement ending, the person's earnings reduce or their other circumstances change to the extent that an amount of Universal Credit would become payable to them.

7.5 Regulation 11 provides for claims for Personal Independence Payment being made by telephone, with an online service planned to be available from 2014. It also provides for paper claims. These claimants will be allowed one month, or a longer period if considered reasonable, to complete and return their paper claim

7.6 Regulation 13 details that a claim for Employment and Support Allowance will normally be made by telephone, although a paper or electronic claim may also be made, as provided for in Regulation 15.

7.7 In specific circumstances, a claim for Employment and Support Allowance is not required: where the claimant is appealing against a decision to terminate or not award them Employment and Support Allowance, Regulation 7 provides that they do not need to make a separate new claim to gain entitlement.

7.8 As in the current system, Regulation 18 provides for a claim made by a pregnant woman to Maternity Allowance to be treated as a claim for an Employment and Support Allowance, for the period up to six weeks prior to the expected date of birth or the actual date of birth if earlier. Any such claim will end fourteen days after the date of birth.

7.9 Claims for a contributory Jobseeker's Allowance may, as now, be made online, by telephone, or in writing, and Regulations 21 and 23 provide for this. As

¹ Tu and Ginnis, 2012, Work and the welfare system: a survey of benefits and tax credits recipients, Department for Work and Pensions research report 800

provided for in Regulation 19, most Jobseeker's Allowance claimants will still be required to make their claim by attending an appropriate office in person.

Couples – Universal Credit

7.10 A couple claiming Universal Credit will, in the vast majority of cases, claim jointly and both will be responsible for administering their award and meeting the conditions of entitlement. Regulation 9(1) provides that where only one member meets the conditions of entitlement but the couple claim jointly, the claim will be treated as a single claim from the eligible claimant. However, in the situation where only one member of a couple who claim jointly accepts their claimant commitment, neither member would be entitled to Universal Credit.

7.11 To aid administration, Regulation 9(4) provides that where both the members of a couple make separate claims to Universal Credit, this can be considered as joint claim by the couple where required. Similarly, Regulation 9(5) provides for one member of a couple to make a joint claim to Universal Credit for both members, where the other member is unable to make a claim.

7.12 In comparison to existing income-related benefits, which have complex rules about the amount payable to the members of a polygamous marriage, polygamous marriage will not be recognised for the purposes of Universal Credit. Regulation 9(2) and 9(3) provide that where a claim is made jointly by a member of a polygamous marriage who is not a party to the earliest marriage, and where that earlier party is living in the same household, it will be treated as a claim made by that member as a single person.

7.13 Section 1 of the Welfare Reform Act 2012 provides that an award of Universal Credit may be made to either an individual claimant or to members of a couple jointly. As detailed in Regulation 9(6) to (9), where a couple receiving Universal Credit separate, or where two single people join together as a couple, a new award is made without a claim being required. If a couple who are making a joint claim separate, and they both wish to continue claiming Universal Credit, the member first reporting the separation is required to make a new claim. The other member will be awarded Universal Credit as a single claimant without having to claim. Where two single claimants become a couple, their single awards will be terminated and the couple will be awarded Universal Credit jointly without them having to claim. In these situations the new claim / awards may be backdated to ensure there is no break in entitlement. Finally, Regulation 9(10) provides that where one of the joint claimants dies, the surviving partner will not be required to make a claim as a single person when the joint award ends.

Date of claim

7.14 Regulation 10 provides for the Universal Credit date of claim,. Where a claim is made online, the date of claim is the date an online claim is received. For telephone claims, the date of claim is the date the claim is properly completed. Where a home visit or face to face appointment is needed, or where a telephone claim cannot be taken immediately, the date of claim for Universal Credit will be the date the claimant first makes contact to make their claim. Regulation 32 provides for a claim to be

made for a date in the future so that the the award of Universal Credit can begin, up to one month after the date the claim is made.

7.15 For Employment and Support Allowance, Regulation 14 provides for the date of claim being the first date on which a claim is made by telephone or the date on which a person first notifies an intention to claim by telephone, provided that a claim is properly completed within one month. If a claim is made in writing or is an electronic claim, the date of claim is the date on which a properly completed form is received in an appropriate office, or the date on which a person first notifies an intention to claim in writing, provided that a properly completed form is received in an appropriate office within one month, as provided in Regulation 16.

7.16 Regulation 24 provides that, for Jobseeker's Allowance, the date of claim is the first date on which a claim is made by telephone, or the date on which a person first notifies an intention to claim by telephone, provided that a claim is properly completed within one month. If a claim is made in writing or is an electronic claim, the date of claim is the date on which a properly completed form is received in an appropriate office, or the date on which a person first notifies an intention to claim in writing, provided that a properly completed form is received in an appropriate office within one month, as detailed in Regulation 22. As provided for in Regulation 20, where a claimant is required to attend a jobseeker's interview but they fail to attend that interview, unless they have a good reason for that failure, their claim will start from the day they do attend an interview. Regulation 34 provides for claims to be made for a future date for Employment and Support Allowance and Jobseeker's Allowance, so that the date of claim and entitlement begin up to three months after the claim is made.

7.17 As set out in Regulation 12, a claim for Personal Independence Payment will be treated as being made on the date the claim is properly completed. Unlike Disability Living Allowance, the Personal Independence Payment claim form will ask for basic information only. Where a claim is made in writing, not electronically, within one month of the claimant first notifying the Department of their intention to make a claim, the date of claim will be the date the claimant first notified the Department.

7.18 Regulation 12(5) provides for specific circumstances where a claim for Personal Independence Payment on the basis of terminal illness is made on behalf of someone else, and the benefit is not awarded. In these circumstances, where a subsequent claim is made within one month of notification of the decision not to award the Personal Independence Payment, the date of claim is to be the date the initial claim (on the basis of terminal illness) was made.

7.19 Regulation 33(1) provides that where a claim to Personal Independence Payment is received and the entitlement conditions are not currently met, but are considered likely to be met within three months of the decision on the claim being made unless there is a change of circumstances, a decision on entitlement may be made in advance..

7.20 In addition, Regulations 33(2) and (3) provides that where a claimant's award of Personal Independence Payment is due to expire within the next six months, they

can make a claim for a new award of Personal Independence Payment which can then be considered, with the date of entitlement being taken as the first day after their current entitlement ends.

Allowing an earlier date of claim

7.21 Regulation 26 provides that in Universal Credit, an earlier date of claim, before the date the claim is actually made, may be allowed where a claimant could not reasonably have been expected to make their claim earlier due to specific circumstances during that earlier period. This date can be up to one month before the actual day the claimant makes their claim.

7.22 Regulation 28 sets out that in Employment and Support Allowance, an earlier date of claim of up to three months before the date the claim is actually made can be allowed. In addition, regulation 17 provides that if a claimant has informed their employer of an incapacity and is not entitled to Statutory Sick Pay, their date of claim for Employment and Support Allowance is treated as the date accepted by their employer as the first day of incapacity, provided that a claim is made within 3 months of them being informed by the employer that they are not entitled to statutory sick pay.

7.23 Regulation 29 provides for an earlier date of claim of up to three months to be allowed for Jobseeker's Allowance if certain conditions that prevented a claim from being made apply.

7.24 Regulation 27 provides that claims for Personal Independence Payment must be made on the date the claimant actually makes the claim – no earlier date of claim is allowed, as is the case with Disability Living Allowance

Interchange with claims for other benefits – Employment and Support Allowance and Personal Independence Payments

7.25 Regulation 25 provides for the conditions where a claim for one benefit may be treated in addition to, or as an alternative to, a claim for another. This is in order to ensure that people receive the right benefit and to aid administration. Regulations 25(1) and (2) provide for a claim for Employment and Support Allowance to be considered alongside or in addition to a claim for Maternity Allowance, and vice versa. Regulations 25(3) and (4) provide that where claimants apply for, and are found ineligible for, Personal Independence Payments, their claims can be treated as claims for Disability Living Allowance or Attendance Allowance, and vice versa.

7.26 Regulation 25(5) provides that in these circumstances, the date of claim for the alternative benefit is to be the day the claim was made for the original benefit.

Evidence and Information

7.27 As part of a claim to benefit, claimants may be required to provide information in support of the claim, as set out in regulation 37. The regulation provides that this information must be received within one month of it being requested unless a longer period is specified. In addition, Regulation 35 provides for claimants except JSA

claimants to be required to attend an office to supply relevant information and evidence.

7.28 As set out in regulation 38, claimants are obliged to provide details of any changes of their circumstances that might affect the continuance of entitlement to benefit, the amount of benefit awarded or the payment of benefit as soon as reasonably practicable after the change occurs. The change of circumstance must be reported online or by phone.

7.29 Regulations 37, 38, 40 and 41 prescribe that landlords or rent officers, child care providers (Regulations 37 and 38) and, in certain circumstances, pension fund holders (Regulation 41), may also be required to provide information in connection with a claim or award for Universal Credit where relevant. Regulation 40 includes a data transfer provision which supports the requirement to refer a social sector rent to a rent officer, where the rent is considered to be higher than is reasonable to be met by way of Universal Credit, for them to determine a reasonable rent to be used in the housing element of the claimant's Universal Credit.

7.30 Regulation 39 provides that where a change or circumstance is a birth or death, the change may be reported through a local authority or county council. Regulations 42, 43 and 44 detail the means of notifying a change of circumstance in relation to sections 111A and 112 of the Administration Act (offences relating to dishonest or false representations for the purpose of obtaining benefit).

Payment

7.31 Regulation 47 provides that Universal Credit will normally be a monthly payment in arrears for each monthly assessment period. This approach is intended to reflect the payment of earnings where 75% of all employees in the UK receive monthly wages². In contrast to Employment and Support Allowance, Jobseeker's Allowance and Personal Independent Payment, which are all paid to an individual claimant, Universal Credit may be payable to an individual or to a joint claim couple and in respect of a child or qualifying young person in the same household. Additional elements may also be payable to claimants with limited capability for work and work-related activity, to carers, for housing costs or for childcare costs.

7.32 Whilst Universal Credit will usually be made as a single monthly payment, Regulation 47(6) provides that Universal Credit may be paid wholly to a designated member of a joint couple or be proportioned between the couple, if it is in the interests of the claimant, their family or any severely disabled adult in respect of whom the claimant receives a carer element.

7.33 Regulations 45 and 46 provide that all benefit should be paid as soon as reasonably practicable after an award has been made via direct credit transfer into a bank or other account. Regulation 54 describes that for any person under 18 in receipt of benefit, payment will be made via direct credit transfer. As provided for in Regulation 53, where the amount of any benefit payable is less than half a penny it will be disregarded, otherwise the amount will be treated as a penny. Regulation 55

² Bacs Family Finance Survey 2011

carries forward an existing regulation that provides that if after twelve months from the date it was ready for collection, a claimant has not obtained (or received) payment of their benefit, they will lose the right to that payment (Regulation 55).

7.34 Regulation 48 provides that Personal Independence Payment will usually be paid four-weekly in arrears, although payment may be made weekly in advance for those who are terminally ill. It may be calculated at a daily rate where necessary, for example where someone enters or leaves hospital or a care home on a regular basis, as provided for in Regulations 49 and 50.

7.35 Both Employment and Support Allowance and Jobseeker's Allowance will continue to be paid fortnightly in arrears, as provided for in Regulations 51 and 52.

7.36 Regulation 58 provides that Universal Credit and Personal Independence Payment may be paid to another person where it is deemed necessary to protect the interests of the claimant or, for Universal Credit, to protect the claimant's family or any severely disabled adult in respect of whom the claimant receives a carer element. Similarly, regulation 57 provides for circumstances in all benefits for the Department to appoint a representative for a claimant where the individual is unable to act for themselves, as in the current system.

7.37 Regulation 56 provides for the distribution of payments where a claimant dies, and mirrors the current arrangements.

Direct payment to lender of deductions in respect of mortgage interest – Universal Credit

7.38 Regulation 59 enables Schedule 5 of the Regulations, which provides for the continuation of the existing Mortgage Interest Direct scheme for owner occupiers in receipt of Universal Credit. The Mortgage Interest Direct Scheme is intended to reduce the threat of repossession for owner occupiers receiving help with their mortgage interest payments through the benefits system by making direct payments to the mortgage lender. The Department held a Call for Evidence between 6 December 2011 and 27 February 2012 on future policy for payments to owner occupiers in respect of housing costs within the benefits system. The vast majority of respondents argued that the Mortgage Interest Direct scheme should be retained in Universal Credit to protect owner occupiers against repossession. This policy reflects the Department's response to that evidence.

7.39 Universal Credit paid in respect of mortgage interest will be paid direct by the Department to the claimant's mortgage lender on a monthly basis (Schedule 5(3)).

7.40 As provided for in paragraph 9(2) of Schedule 5,, in return for receiving direct payments of mortgage interest, the lending industry will pay a charge for each transaction known as the transaction charge, which enables the Department to recover the costs of administering the scheme. The level of the transaction charge at £0.35 has been agreed with the Council of the Mortgage Lenders and this is in the regulations. The level of the charge will be reviewed with the Council of Mortgage Lenders annually to ensure that it reflects the actual costs of administering the

scheme.

Deductions from benefit and direct payment to third parties – Universal Credit

7.41 Regulation 60 enables Schedule 6 of these Regulations, which allows payments of Universal Credit to be paid direct to third parties. This is to allow repayments for various debts, such as arrears of rent, utilities and child maintenance. Some of the deductions are intended to protect vulnerable claimants by providing a last resort repayment method for arrears of essential services, for example rent where the claimant is facing eviction, or gas and electricity where there is a threat of disconnection. Other deductions enable social obligations to be enforced where other repayment methods have failed or are not cost effective, such as child maintenance and third party loans.

7.42 Each of the debt categories has a set of criteria, which must be satisfied for the deduction to be taken. These criteria, detailed in Schedule 6(6 to 12) are intended to support the overall aims of Universal Credit, ensuring claimants take responsibility for budgeting their income. A deduction will only be made where the claimant is in arrears, and has no other means of clearing the debt or has continually failed to repay the debt.

7.43 The Schedule sets out a number of limitations that are intended to protect claimants from excessive deductions, which could lead to hardship. Deductions must not reduce a claimant's Universal Credit to less than 1p, which is the minimum entitlement amount in Universal Credit, to ensure they can maintain any eligibility for passported benefits (Schedule 6(3(1a))). In addition, a maximum of three third party deductions can be taken at any one time (Schedule 6(3(1b))) and each of the deduction types set out in Schedule 6 will be deducted at an amount equivalent to 5% of the claimant's Universal Credit Standard Allowance. As provided for in Schedule 6 (4), there will be an overall maximum amount that can be deducted, which will be an amount equal to 40% of the claimant's Universal Credit Standard Allowance. If all deductions that are required exceed 40%, or there is insufficient Universal Credit in payment, a priority order will be applied, which is provided for in Schedule 6(5).

Deductions from benefit in respect of Child Support Maintenance and Payments to Persons with Care

7.44 Regulation 60 enables Schedule 7 of the Regulations, which allows for deductions to be made from Universal Credit, Employment and Support Allowance or Jobseeker's Allowance for statutory child maintenance under the Child Support Act 1991. These are payments made by parents (defined in that Act as "non-resident parents") who are living apart from their children towards the support of those children.

7.45 Amounts payable by non-resident parents are calculated in accordance with rules contained in the Child Support Act 1991 and associated Regulations. These maintenance calculations are often based on the non-resident parent's income. However where a non-resident parent (or in the case of Universal Credit, their partner) receives a qualifying benefit they will usually be liable to pay maintenance at a weekly "flat rate", as provided for in Schedule 7(5).

7.46 Schedule 7 contains a number of limitations to ensure that excessive deductions from benefit are not made. A deduction has to leave a minimum of 10 pence of benefit in payment. This rule is aligned with the existing income-related benefits where 10 pence is still the minimum entitlement required to be eligible for passported benefits. If a person is jointly entitled to Universal Credit with a partner and they are both non-resident parents, the amount deducted from Universal Credit will be limited to the flat rate amount. This reflects the fact that the amount payable by each of them under the Child Support Act 1991 will be half the flat rate.

Consolidation

7.47 Consolidation is not necessary as these are the first Regulations made under the Welfare Reform Act 2012. However, in so far as consequential amendments are made to secondary legislation for which the Department for Work and Pensions has responsibility, an informal consolidated text will be available to the public free of charge via “The Law Relating to Social Security” (Blue Volumes), on the Department for Work and Pensions website at

<http://www.dwp.gov.uk/publications/specialist-guides/law-volumes/the-law-relating-to-social-security/>

8. Consultation outcome

8.1 The Claims and Payments Regulations 2013 were subject to statutory formal consideration by the Social Security Advisory Committee. The Committee raised a number of points, which were considered and changes made where appropriate. For example, the Committee noted Regulation 9 which states the Government’s intention to require couples to make a joint claim to Universal Credit and recommended that in some cases, for example where one member of a couple fails to sign their claimant commitment, the other member of the couple could be paid as a single person to avoid hardship. The Government explained that both members of a couple being required to sign a claimant commitment is a fundamental principle of Universal Credit. However, where a claimant has separated from their partner and previously there was a failed joint claim because the ex-partner refused to agree their claimant commitment, changes were made to the regulations to allow the date of their claim as a single person to be backdated. In these circumstances their single claim may be backdated to the date of their previous joint claim, subject to a maximum period of one month.

8.2 The Committee referred the proposals for formal consultation. This consultation included a broad range of organisations and individuals and ran from 15th June 2012 to 31st July 2012. In particular, the Committee examined the coherence of the Regulations and whether there were gaps or unintended consequences that needed to be addressed. Further proposals were presented to SSAC on 3rd August, 7th November and 5th December 2012, which SSAC did not additionally consult on.

8.3 On 23rd August 2012 the Committee delivered its report on the proposals for Regulations to the Secretary of State for Work and Pensions. The report and the Government’s response are published on <http://www.dwp.gov.uk/docs/ssac-universal->

[credit-report.pdf](#). Copies of this document which was laid on 10th December 2012 are available in the Vote Office and the Printed Paper Office.

8.4 In August 2012, the Work and Pensions Select Committee launched an inquiry into the implementation of Universal Credit. The Secretary of State for Work and Pensions and the Minister for Welfare Reform attended a hearing on 17th September 2012.. The report and the Government's response are published on <http://www.dwp.gov.uk/publications/policy-publications/uc-wpsc-response.shtml>

8.5 More generally, extensive stakeholder engagement has taken place throughout the development of these Regulations. We have held workshops with customer representative organisations and Devolved Administrations to outline detail within the draft Regulations and provide the opportunity for them to seek clarification. Individual policy areas have worked closely with the Third Sector and other Government departments to learn from their experiences of working with our claimants groups and to ensure alignment of policy.

8.6 There has been ongoing stakeholder engagement providing opportunities for stakeholders to inform the development of guidance. We will continue this engagement throughout development and will be sharing drafts of key parts of guidance with them and the Social Security Advisory Committee for their consideration.

9. Guidance

9.1 Work is underway to draft guidance to provide effective support for advisers and decision makers in administering Universal Credit and Personal Independence, including for claimants on new Jobseeker's Allowance or Employment and Support Allowance.

9.2 In October 2012, a series of workshops were held with stakeholders to provide the opportunity for them to inform the development of this guidance. The Department for Work and Pensions will continue with this engagement throughout the development of guidance, and will be sharing drafts of key parts of guidance with them and the Social Security Advisory Committee for their consideration. Comments will be invited to ensure that guidance is clear and easy for advisers to understand and delivers the policy intent for Universal Credit and PIP.

9.3 In line with standard practice the Advice for Decision Makers will be published on the Department for Work and Pensions website. We expect to be able to do this around the end of February 2013.

10. Impact

10.1 There is no significant impact on business, charities or voluntary bodies.

10.2 There are no significant costs to the public sector.

10.3 Impact Assessments have not been separately prepared for these Regulations. However, an assessment has been made of the impact of the introduction of Universal Credit and has been published on the Department for Work and Pensions website at <http://www.dwp.gov.uk/docs/universal-credit-wr2011-ia.pdf>. This also covers information concerning the Department's obligations regarding its Equality Duty.

11. Regulating small business

11.1 These Regulations do not apply to small business regulation.

12. Monitoring & review

12.1 The Department is firmly committed to evaluating and monitoring the impact and effects of Universal Credit, which marks a fundamental change to the way in which people engage with the benefit system and access in-work financial support. Universal Credit design, implementation and delivery will span a number of years. Evaluation plans will therefore reflect both the long timescale and complexity of the reform. This will involve developing a wide-ranging evaluation strategy which will employ a number of different approaches over the lifetime of the policy, including ongoing monitoring, “live running reviews” of implementation and delivery and longer term analysis of the outcomes and impacts for different groups of claimants, from implementation through to 2017 and beyond.³

12.2 Central to the effective transition to Universal Credit is the pathfinder activity that will run in parts of Greater Manchester and Cheshire from April 2013. The prime focus of the Pathfinder evaluation is to examine implementation and operational delivery issues from the perspectives of staff, claimants and delivery partners. It will specifically examine:

- Service delivery;
- Operational processes;
- Partnership arrangements; and
- Customer experience.

12.3 This evidence will ensure the operational delivery of Universal Credit in the Pathfinder is scrutinised and if required, improvements put in place before Universal Credit is rolled out on a national basis.

12.4 Exploratory work is currently being undertaken into the cost effectiveness of a potential large scale Universal Credit claimant panel study. This could provide detailed longitudinal evidence on samples of the Universal Credit population, providing evidence and insight on attitudinal and behavioural change as well as the impacts of Universal Credit on specific claimant groups.

12.5 An external expert advisory group has been convened to offer advice and technical expertise on aspects of the evaluation strategy. It includes leading

³ The phased introduction of Universal credit will be complete by the end of 2017.

international experts in the fields of evaluation, financial capability, economics, experimentation and trialling, amongst other areas.

- 12.6 The Department published its outline evaluation proposals for Personal Independence Payment (PIP) on 13 December 2012. These proposals are available on the DWP website at <http://dwp.gov.uk/docs/pip-evaluation-proposals.pdf>
- 12.7 The evaluation will involve a comprehensive programme of monitoring and evaluation using a range of methods and sources and making links, where possible, with the evaluation of Universal Credit. As part of the approach the evaluation will explore the various stages in the implementation of PIP. Early process studies will examine the delivery of the new claims process for Personal Independence payment and then the delivery of DLA natural reassessment⁴ from autumn 2013. The main stage of the evaluation will examine implementation issues throughout the reassessment period and beyond.
- 12.8 The proposed evaluation themes, which are detailed in the outline, will include an exploration of claimant experiences of the process for claiming Personal Independence Payment. This will include examining the experiences of different groups of claimants where possible, for example those of young people. The evaluation will also consider claimant outcomes, for example, by exploring the relationship between employment and Personal Independence Payment.

13. Contact

Catherine Kerr at the Department for Work and Pensions can answer any queries regarding the instrument. Tel: 0113 2324961 or email: catherine.kerr1@dwp.gsi.gov.uk

⁴ This is where an existing Disability Living Allowance (DLA) recipient enters the reassessment process due to reporting a change in their DLA care and/or mobility needs or where a fixed term award comes to an end.