

EXPLANATORY MEMORANDUM TO

THE UNIVERSAL CREDIT (MISCELLANEOUS AMENDMENTS) REGULATIONS 2013

2013 No. 803

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**

The purpose of this instrument is to make amendments to the Universal Credit and the Universal Credit (Transitional Provisions) Regulations. It introduces additional requirements that must be met in order for a person to claim Universal Credit during the first phase of its introduction. It also introduces changes to the size criteria that apply to working age claimants in both the social rented sector and the private rented sector. The changes apply to certain foster carers, adopters with whom a child has been placed prior to adoption and parents of non-dependant armed forces personnel who are away from home on operations and will allow them to be taken into account when applying the size criteria.

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

The Regulations come into force on 29th April 2013.

4. **Legislative Context**

The Universal Credit (Miscellaneous Amendments) Regulations 2013 make amendments to the:

- Universal Credit Regulations 2013 to allow for an extra bedroom for certain foster carers and for adopters with whom a child has been placed prior to adoption and ensure that the parents of non-dependant armed forces personnel who are away from home on operations will continue to have them included when assessing the size criteria. These changes apply in both the private and social rented sectors.
- Universal Credit (Transitional Provisions) Regulations 2013 to set out additional requirements that must be met in order for a person to claim Universal Credit in the initial Pathfinder phase.

5. **Territorial Extent and Application**

This instrument applies to Great Britain.

6. **European Convention on Human Rights**

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statements are required.

7. Policy background

- *What is being done and why*

The Universal Credit Regulations 2013

7.1 Size criteria rules determine the maximum property size that the calculation of the housing credit element of Universal Credit can be based on depending on household composition. To ensure parity of treatment with claimants who receive help with housing costs through the Housing Benefit scheme the Universal Credit Regulations 2013 will be amended to ensure that an additional room can be allocated under the size criteria for certain foster carers, for adopters with whom a child has been placed prior to adoption and for parents of non-dependant armed forces personnel who are away from home on operations.

7.2 Currently in Universal Credit, one bedroom will be allowed using size criteria rules for each of the following:

- A couple
- A person who is not a child (age 16 and over)
- Two children of the same sex
- Two children who are under 10 years of age
- Any other child
- A non-resident overnight carer.

7.3 In response to concerns raised by both Members of Parliament and the general public about the potential impact that this measure will have on different groups within the social sector the Government has announced that two changes will be introduced across both the private and social rented sectors. These relate to two specific groups:

- People who are approved foster carers (and formal kinship carers in Scotland) will be allowed an additional room, whether or not a child has been placed with them or they are between placements, so long as they have fostered a child, or become an approved foster carer in the last 12 months. (This will also cover a claimant who is in the process of adopting a child and has had the child placed with them by the local authority before the adoption order is made); and
- Adult children who are in the Armed Forces (including the Reserve Forces) but who continue to live with parents will be treated as continuing to live at home, even when deployed on operations. This means that they will continue to be treated as occupying a room if they intend to return home. In addition, Universal Credit recipients will not be subject to a reduction for a housing cost contribution in respect of non-dependant children who are members of the armed forces away on operations until any such adult children return home.

The Universal Credit (Transitional Provisions) Regulations 2013

7.4 These Regulations make provision for the introduction of Universal Credit on a “Pathfinder” basis from 29 April 2013. The Regulations set out detailed criteria which must be met in order for a person to be entitled to claim Universal Credit during the Pathfinder.

7.5 The amendments to these regulations make two additions to those criteria, which are that, to be eligible to claim Universal Credit during the Pathfinder, a person must not:

- be an approved foster parent; or
- have any member of their household who is a member of the Regular Forces or the Reserve Forces who is away in connection with that role.

7.6 These amendments have the effect of excluding a wider group of people than those to whom the amendments to the Universal Credit Regulations would apply. For example, it excludes those with any member of the household who is on any Armed Forces duties, not only adult children who are away on operations. In keeping with other restrictions on who is eligible to claim Universal Credit during the Pathfinder, that approach ensures that the restrictions can be readily explained so that people can easily determine whether or not they are eligible to claim.

- ***Consolidation***

7.7 Consolidation of the existing regulations is not proposed but ‘The Law Relating to Social Security’ (The Blue Volumes) provides a consolidated version of the regulations and will incorporate the amendments made by this instrument. This publication is available free of charge on the internet at <http://www.dwp.gov.uk/publications/specialist-guides/law-volumes/the-law-relating-to-social-security>).

8. Consultation outcome

As these regulations are made within six months of the provisions in the Welfare Reform Act 2012 coming into force there is no requirement to consult the Social Security Advisory Committee. We will however explain the changes at the next Social Security Advisory Committee meeting in April.

9. Guidance

9.1 The Department will publicise the changes through appropriate channels such as the DWP website to make sure that people likely to be affected are aware of the changes.

9.2 Comprehensive guidance will be provided for operational staff to assist them with the effective delivery and communication of these changes.

10. Impact

10.1 This legislation has no direct impact on the private sector or civil society organisations.

10.2 There is an impact on the public sector but this will be minimal.

10.3 An updated impact assessment to cover the removal of the spare room subsidy was published on 28 June 2012 and is available on the DWP website: <http://www.dwp.gov.uk/docs/social-sector-housing-under-occupation-wr2011-ia.pdf>

11. Regulating small business

The legislation does not apply to small business.

12. Monitoring and review

12.1 In addition to the Department's own ongoing monitoring of the policy, it is commissioning independent monitoring and evaluation to explore the effects of the introduction of size criteria in the social rented sector in general. This will consist of some primary field research into the impacts of the changes, which is expected to be undertaken over a two year period from April 2013 to March 2015. Initial findings are expected to be available to Parliament and published in accordance with the Department's publication protocols in early 2014 with final reporting in late 2015. The research methodology and scope will be finalised in consultation with contractors and key stakeholders once the initial commissioning work has been undertaken over the summer. The measurement of the success criteria will be finalised in consultation with contractors and key stakeholders once the commissioning work has been completed.

12.2 The evaluation is likely to include a range of social landlords in local authorities across England, Scotland and Wales. Different types of authorities including a range of urban, rural and county district local authorities will be included; they will be selected to cover a range of different housing market demands. This approach should ensure that the effects of the introduction of size criteria can be explored fully and offer a sound insight into the experiences of tenants. The evaluation and monitoring will include the impact of the measures on:

- Supply of accommodation
- Rural areas
- People unable to share rooms such as couples and disabled children
- Vulnerable individuals
- Financial status
- Health and wellbeing
- Family life, particularly where the family has multiple problems.

13. Contact

Beverley Walsh at the Department for Work and Pensions Tel: 0113 232 7608 or email: beverley.walsh@dwp.gsi.gov.uk can answer any queries regarding the instrument.