

EXPLANATORY MEMORANDUM TO
THE UNIVERSAL CREDIT (RESTRICTION ON AMOUNTS FOR CHILDREN AND
QUALIFYING YOUNG PERSONS) (TRANSITIONAL PROVISIONS)
AMENDMENT REGULATIONS 2019

2019 No. 27

1. Introduction

1.1 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

2.1 The purpose of this instrument is, to amend the Universal Credit Regulations 2013 and the Universal Credit (Transitional Provisions) Regulations 2014¹, to continue to make provision for the payment of child element in new claims to Universal Credit for all children born before 6 April 2017 (where entitlement exists). This is as announced by the Minister of State for Employment in a written statement on 11 January 2019². Payment in new claims for all children was formally introduced as an interim or transitional measure with the interim measure due to come to an end on the 1st February 2019.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 There are no matters of special interest to the Joint Committee on Statutory InstrumentsMatters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

4.1 The extent of this instrument is Great Britain.

4.2 The territorial application of this instrument is Great Britain. Separate but corresponding provision will be made for Northern Ireland.

¹ The Universal Credit (Transitional Provisions) Regulations 2014;
<http://www.legislation.gov.uk/uksi/2014/1230/contents/made>

²Alok Sharma (Minister of State for Employment) ‘Universal Credit’ HCWS1243;
<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-01-11/HCWS1243/>

5. European Convention on Human Rights

- 5.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement regarding human rights is required.

6. Legislative Context

- 6.1 The Welfare Reform Act 2012³ provided for the introduction in Great Britain of a new working age 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.
- 6.2 This instrument makes changes to regulations which apply to all Universal Credit claimants.
- 6.3 As set out in the Explanatory Note, this instrument makes changes to the existing statutory instruments, relating to Universal Credit; the Universal Credit Regulations 2013 and The Universal Credit (Transitional Provisions) Regulations 2014.

7. Policy background

What is being done and why?

- 7.1 Under the Welfare Reform and Work Act 2016, the Government established a broad policy to provide support in Child Tax Credits and the Child Element of Universal Credit for a maximum of two children (with some exceptions). This was to ensure that parents in receipt of benefits faced the same financial choices when deciding to grow their family as those supporting themselves solely through work. This applied to claims for children born on or after 6 April 2017.
- 7.2 During an interim period following the introduction of the policy, new claims for families with three or more children were to be directed to Tax Credits and child element in Universal Credit was to be paid for all children born before 6 April 2017. This interim period is due to come to an end on the 1st February 2019. On this date, the policy was to apply to all new claims to Universal Credit regardless of the date of birth of the child.
- 7.3 From 1st February 2019, new claims for families with three or more children will no longer be directed to Tax Credits and will, instead, be made to Universal Credit. As a result of the amendment made by these regulations, families with three or more children will continue to receive an additional amount in Universal Credit for all children born before 6 April 2017 (the date that the legislation relating to the policy to provide support for a maximum of two children came into force).

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

- 8.1 This instrument does not relate to the withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

³ <http://www.legislation.gov.uk/ukpga/2012/5/contents/enacted>

9. Consolidation

- 9.1 Informal consolidated text of instruments is available to the public free of charge via the 'National Archives' website legislation.gov.uk.

10. Consultation

- 10.1 No consultation was carried out prior to this policy change. This change is a beneficial change for families making new claims to Universal Credit with 3 or more children born before 6 April 2017

11. Guidance

- 11.1 The Department will issue Advice for Decision Making and Decision Makers Guide memoranda, to be published on the DWP Intranet, to ensure that staff are aware of the changes introduced by this instrument. The memos will also be published on the Gov.uk website for the public before this instrument comes into force.

12. Impact

- 12.1 There is no, or no significant, impact on business, charities or voluntary bodies.
- 12.2 The Department has concluded that there are no adverse or disproportionate negative impacts on equality and so no benefit recipient with a protected characteristic will be adversely affected. The policy makers are content that the need to advance equality has been considered appropriately.
- 12.3 The cost of this policy change is estimated to be £250m over the next five years. An estimated 15,000 families per year will benefit from the change, receiving an additional amount in Universal Credit for any children born before 6th April 2017.
- 12.4 A Regulatory Impact Assessment has not been prepared for this instrument because there are no businesses affected by the measures in the instrument.

13. Regulating small business

- 13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

- 14.1 The Department is firmly committed to evaluating and monitoring the impact of its policies. To do this the Department will:
- continue to closely monitor Universal Credit;
 - monitor through correspondence;
 - evaluate the impact through regular liaison with the Local Authority Associations and other stakeholders; and
 - use feedback to assess and review whether the policies are working as intended.

15. Contact

- 15.1 Emma Walsh at the Department for Work and Pensions can answer any queries regarding the instrument. Email: emma.walsh@dpw.gsi.gov.uk
- 15.2 James Bolton at the Department for Work and Pensions can confirm that this Explanatory Memorandum meets the required standard.

15.3 Alok Sharma (MP), Parliamentary Under Secretary of State at the Department for Work and Pensions can confirm that this Explanatory Memorandum meets the required standard.