

EXPLANATORY MEMORANDUM TO
THE SOCIAL SECURITY (CORONAVIRUS) (FURTHER MEASURES)
AMENDMENT REGULATIONS 2020

2020 No. 397

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by the Command of Her Majesty.
- 1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

- 2.1 The purpose of this instrument is to make changes to the Social Security (Coronavirus) (Further Measures) Regulations 2020 to change the assessment period in which the temporary increase of the universal credit standard allowance and increased Local Housing Allowance rates will take effect for each award of universal credit. This is intended to make the additional support provided available to claimants more quickly.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 These are emergency regulations in relation to the Government's response to Covid-19. These regulations will invoke the urgency provisions and will be made without first submitting to the Social Security Advisory Committee.
- 3.2 This SI will breach the 21-day rule as it will come into force on 6th April 2020. This is so increased financial support can be made available as quickly as possible to provide additional support to claimants who are making a new claim or have been awarded universal credit in order to help them manage the economic impacts of the Coronavirus pandemic.
- 3.3 The Department is bringing the SI into force as soon as possible after it has been made and laid to ensure that it benefits individuals affected by Covid-19 as soon as possible.
- 3.4 The impact of delaying the SI in order to comply with 21-day rule is that claimants will not receive the extra financial support made available to them.
- 3.5 The increase in the amount of the universal credit standard allowance will only apply to the 2020/2021 tax year. Consequently, it has an inbuilt end date, enabling claimants to benefit from the increased standard allowance for 12 assessment periods.
- 3.6 The increase in Local Housing Allowance (LHA) rates for private renters on universal credit is set out in the Rent Officers (Universal Credit Functions) Order 2013 which is reviewed annually.

Matters 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)

- 3.7 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 territorial extent of this instrument is England, Wales and Scotland only.

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 is required.

6. Legislative Context

- 6.1 The instrument makes an amendment to Regulation 3 and changes the effect of Regulation 4 of the Social Security (Coronavirus) (Further Measures) Regulations 2020 to change the assessment period in which the temporary increase of the universal credit standard allowance and the increase in LHA rates will take effect for each award of universal credit. This will ensure that universal credit claimants who will be impacted by the Covid-19 pandemic will benefit from extra financial support more quickly so that they can 'weather' the wider economic effects.

7. Policy background

What is being done and why?

- 7.1 As part of the Government's strategy of supporting people affected by Covid-19, the following changes are being made:
- a. The start date for the introduction of the temporary increase of the universal credit standard allowance is being changed so that it takes effect for assessment periods that end on or after the 6th April, instead of in line with uprating. The amounts of the temporary increase and the duration of the increase (12 assessment periods) remain unchanged.
 - b. The start date is being changed to increase LHA rates to support private sector renters claiming the UC housing costs element for the fiscal year 2020-21, so that it takes effect for assessment periods that end on or after 6th April instead of in line with uprating.

Both these measures have the effect of ensuring that universal credit claimants can benefit from the increased provision more quickly.

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

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

9. Consolidation

- 9.1 As this is a temporary measure, consolidation is not being undertaken.

10. Consultation outcome

10.1 Given the urgency of these regulations, no consultation has been undertaken.

11. Guidance

11.1 Guidance will be issued to DWP staff urgently to reflect the changes in the statutory instrument.

12. Impact

12.1 This change does not negatively impact claimants. A full Impact Assessment has not been produced for this instrument as no, or no significant, impact on business, or the private, voluntary or public sector, is foreseen.

12.2 It is estimated that 2.5m households on universal credit will benefit from the increase to the universal credit standard allowance, as well as new claimants who become unemployed or whose earnings or work hours decrease because of the outbreak. This additional increase means claimants will be up to £1,040 better off.

12.3 The increase in LHA rates will benefit households in the private rented sector claiming the housing costs element of universal credit, who will receive on average an extra £600 per year.

13. Regulating small business

13.1 The legislation does not affect 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 constantly consider whether further changes are required in line with CMO guidance while the Covid-19 outbreak continues.

15. Contact

15.1 Beatrice Fannon at the Department for Work and Pensions Telephone: 020 8970 7245 or email: beatrice.fannon@dwp.gov.uk can be contacted with any queries regarding the instrument.

15.2 Kerstin Parker at the Department for Work and Pensions can confirm that this Explanatory Memorandum meets the required standard.

15.3 Thérèse Coffey, Secretary of State at the Department for Work and Pensions can confirm that this Explanatory Memorandum meets the required standard.