



Department  
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Bill Irvine

UC Advice & Advocacy Ltd

Dear Bill

### **A reply to an open letter to Neil Couling**

Thank you for your letter of 15 May. As I have explained previously the purdah rules, concerning the conduct of Government during elections, meant I could not immediately reply.

I would counsel some caution about drawing general conclusions on the state of Universal Credit from the cases you will see. There are over half a million cases on Universal Credit, of which around a third have housing costs. It is in the nature of the work of your company that you will only see those cases with an issue.

So I do not believe your letter provides a balanced assessment of how the system is performing. Where issues do arise, as you might expect from time to time given the scale and ambition of Universal Credit, we are committed to learning lessons and making the necessary improvements to our service.

We have particularly been focussed on the issue of making more payments at the end of the first assessment period. The reasons that payments are not made may rest with the claimant, they may not have provided the requested verification or signed up to their claimant commitment. Over the last few months we have been improving the design of our internal systems and bringing features which make it easier for claimants to quickly provide information. That work is bearing fruit and the number of cases where we can make those critical initial payments is rising.

Let me address the points you have raised on paying housing costs direct to claimants, something that builds on the reforms within Housing Benefit for the



Private Rented Sector in 2008. We know that moving into work can be a big step to take for some claimants and taking responsibility for meeting their housing costs at that point makes this a bigger step. So it is in a claimant's interests to make this journey into work as friction-free as possible. Clearly from a landlord's perspective they may prefer if the state acted as their de facto rent collector and paid the rent element direct to them. But given the implications for helping people into work I hope you can, if not going as far as to agree, understand why we have put the needs of claimants first.

Of course some claimants will find it difficult to take responsibility for paying their rent, but my experience of people in general on benefits is that they have good budgeting skills, and I would hazard a guess that in general they are superior than you or I in that regard. So I do think we should all try to be careful that we do not appear to malign claimants when making comments. There are always a very small minority of people who will seek to exploit the system. But they are a very small element in my experience and are not reflective of the millions of our fellow citizens who are supported by the welfare state.

As you know, we have invested a lot of time and energy developing the Alternative Payment Arrangement process. Communications to landlords have been an issue and we continue to work at this. For example we are updating our current suite of landlord communication products such as refreshing Frequently Asked Questions on GOV.UK. We also have longer term plans, based on a consultation we've carried out with landlords, to make sure we are using the best communication channels and we provide landlords with the information they need.

In designing a system that is more immediately responsive to earnings than Tax Credits, we need to pay people monthly in arrears. There is no getting around that if you want a system that consistently incentivises work. Knowing that could cause problems with budgeting at the start of the claim and created a risk of short-term arrears, particularly for those landlords who charge rent in advance, we have provided budgeting advice and benefit advances if appropriate. Claimants can apply for an advance of up to 50 per cent of their indicative award, including housing costs. Once people successfully transfer to Universal Credit direct payments, they do generally manage their finances effectively. The introduction of Universal Credit increased the recovery rate for rent arrears and our research shows that after four months, the proportion of UC claimants who were in arrears at the start of their claim fell by a third.

You also mention DWP's complaints process and special payments arrangements. Requests of this type are handled in an independent manner, unconnected with the Universal Credit programme, and each case is decided on its own merits.

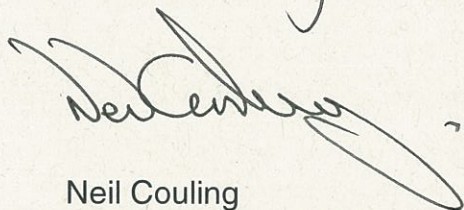
As I have also explained previously, in the full Universal Credit service, the online journal has confidential information about a claimant's situation. That is why we need claimants to give their explicit consent for third parties to have information



about their claim. Given these circumstances, our obligation to protect claimant information outweighs any previous data-sharing arrangement we may have set up.

Your letter also mentions that, in the full service, we do not pause payment of housing costs on receipt of an APA request. The full service UC is not designed to suspend part of the UC, we suspend the whole payment while we assess the APA. If we don't have all the information we need before payment is due, we will release payment to the claimant and restart the APA application in the next month. We are currently clearing all APA applications within their target date, so landlords should not be experiencing any issues, as long as requests are submitted in time for the assessment period calculation.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Neil Couling', with a large, sweeping flourish extending from the end of the name.

Neil Couling  
Director General, Universal Credit Programme



