Universal Support: Government Response to the Committee’s Eighteenth Report of Session 2017–19

Seventeenth Special Report of Session 2017–19

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Work and Pensions Committee

The Work and Pensions Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Work and Pensions and its associated public bodies.

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Committee reports are published on the publications page of the Committee’s website and in print by Order of the House.

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Committee staff

The current staff of the Committee are Anne-Marie Griffiths (Clerk), Stuart Ramsay (Second Clerk), Libby McEnhill (Senior Committee Specialist), Kemi Duroshola (Committee Specialist), George Steer (Assistant Policy Analyst), Jessica Bridges Palmer (Senior Media and Policy Officer), Esther Goosey (Senior Committee Assistant), Michelle Garratty (Committee Assistant).

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Seventeenth Special Report

The Work and Pensions Committee published its Eighteenth Report of Session 2017–19, Universal Support (HC 1667) on 28 October 2018. The Government response was received on 20 December 2018 and is appended to this report.

Appendix: Government Response


2. From the report, the Government are pleased to note the Committee’s overall support for Universal Support and the importance of getting it right as we near the next phase for Universal Credit, the Managed Migration of around 3 million legacy benefit claimants.

   “Universal Support does not just have the potential to make the lives of claimants easier. Done well, it could play a vital part in ensuring that Universal Credit delivers its wider objectives, including improved employment rates and savings to the public purse.”

3. The Government also acknowledged and welcomed the Committee’s support to improve Universal Support: “Improving the support offer itself – and not simply changing the delivery partner – is crucial to ensuring that people receive the help they need.”

4. The Government also supports and agrees with the following statements in the report’s summary:

   - “Getting the content of Universal Support is vital. So too is improving the way that claimants access the service. Both take-up and referrals are much lower than expected… “
   - “The Department’s announcement that the [grant agreement] for Universal Support will pass to Citizens Advice and Citizens Advice Scotland in 2018/19 and 2019/20 will help take pressure off … local authorities. The Department must ensure that this change is not merely cosmetic”.
   - “Universal Support should be - and could still be – the means of … realising the wider benefits of Universal Credit”.

5. The Committee published its report on 28 October 2018, including 14 recommendations that fall within the remit of the Department for Work and Pensions. The Government’s response to these recommendations is set out below.
Work and Pensions Select Committee Recommendations

Recommendation 1

We welcome the Department’s commitment to reviewing and improving Universal Support. We recommend that it sets out the conclusions of this review in response to our report.

6. The Government accepts this recommendation and will be publishing the detail of the interim review findings at the end of the review period in spring 2019. These findings relate to the current Universal Support offer, delivered by Local Authorities and their selected providers.

7. Below is a summary of the findings, at the request of the Committee. Many of the Committee’s conclusions were also identified as part of the Government’s own assessment of the current Universal Support offer.

Inconsistency of delivery

8. The Department found that, while some Local Authorities were delivering a strong and effective Universal Support offer (Assisted Digital Support and Personal Budgeting Support), either as the provider or by contracting out one or both services to a third party, a high proportion of locations were not receiving adequate support.

9. This had led to an inconsistent service across the UK, including some councils declining to deliver the service. It is for this reason that the Government deemed it necessary to take action and address this inconsistency to ensure an equal service is available to all claimants, irrespective of their geographical location.

Take up rates

10. The Department found that take up rates were one third of what we expected; and despite targeted support to Local Authorities, including through a series of workshops held over 2017/18, referral rates continued to remain low. However, as currently designed, the performance framework for assessing delivery only allowed for an assessment of the number of referrals undertaken by each participating Local Authority. Previously, within the current design, only the number of referrals were counted; we did not have the measures in place to capture the quality of the sessions delivered. This will be included in the new service.

Improving the Current Universal Support Offer

11. The Department recognises that, as designed, Universal Support could therefore be improved and the decision was taken to address these structural issues by commissioning a new service. This will not be Assisted Digital Support and Personal Budgeting Support under a new name. As well as help with digital access and budgeting, the new service will provide support with other activities, such as identity verification, to help the claimant get their payment on time. The Department agrees with the Committee that the change
cannot be ‘merely cosmetic’ or about transferring the responsibility for Universal Support from one delivery partner to another. It is a new approach, working with a trusted partner to learn, build and drive improvements to the Universal Support service.

12. The new approach will still require strong local partnership arrangements and relationships with Local Authorities, to build on best practice. These organisations have access to other linked services, such as housing, welfare support and council tax reduction payments to support claimants. However, the approach needs to be consistent across the country, with strong qualitative as well as quantitative measurement criteria, enabling the Department to hold the delivery partner to account, as well as identify and address internal obstacles that may be the cause of low take up rates.

13. Acting on widely received feedback from relevant stakeholders, including the Work and Pensions Select Committee, the Department’s conclusion and decision was to proceed with Citizens Advice as an independent and trusted service provider with a proven track record of supporting Universal Credit claimants. The decision to award directly to Citizens Advice was based on the unique and independent position of Citizens Advice to be able to swiftly improve the Universal Support service, in response to feedback. Citizens Advice and Citizens Advice Scotland have national and local coverage across Great Britain and are a trusted organisation already familiar and known to claimants.

14. The full findings related to Universal Support, which will include the new Universal Support offer provided by Citizens Advice, will be published in spring 2020.

The Universal Support Offer

**Recommendation 2:**

*The Department should lift the three-month limit on providing Assisted Digital Support. We also recommend that it engages quickly and positively with local authorities and Citizens Advice to agreed arrangements for funding additional Digital Support sessions for claimants with higher needs.*

15. The Government agrees with this recommendation and in the current design, there is no requirement restricting Assisted Digital Support to three months.

16. Assisted Digital Support is usually provided to claimants at the beginning of their claim, to make and manage their claim online. Working collaboratively with Citizens Advice, Citizens Advice Scotland and other stakeholders, including Local Authorities, we are co-designing a new model of provision to support claimants as they transition from legacy benefits onto Universal Credit. This service offer, ‘Universal Support: Help to Claim’ offer is different to the current Universal Support model and is not based on the current ‘assisted digital’ and ‘personal budgeting support’ offer.

17. The new service will include a wider range of support encompassing help with getting ready for a first Universal Credit payment as well as other support activities, such as help with identity verification. This will also include digital support to help people get online. People will be able to access the service through face-to-face advice, on the phone and through web-chat.
**Recommendation 3:**

We recommend the Department amend guidance on the content of Assisted Digital Support to include ensuring claimants are able to use the Verify system. We also recommend it set out its strategy and any supporting resources for increasing Verify usage to 80% by 2024–5.

18. The Government agrees with the Committee’s recommendation that the Department ensures guidance supports claimants to use the digital systems. As part of the work with Citizens Advice, Citizens Advice Scotland and other stakeholders, we will include this requirement as we develop our new model of provision.

19. On 9 October 2018, the Government announced its future plans for Verify,³ the provision of a digital identity service to Government. The Department is considering its future use of Verify in light of this announcement.

**Recommendation 4:**

We recommend the Department lift the three month limit for Personal Budgeting Support and engage with local authorities and Citizens Advice to agree arrangements for funding ongoing support for those claimants who required it.

20. The Government agrees with this recommendation. The new ‘Universal Support: Help to Claim’ offer will provide claimants with the practical support and advice they need ahead of their first payment - where appropriate this may include helping to understand payments and any easements or flexibilities available. Citizens Advice and Citizens Advice Scotland are designing the new offer based on claimant requirements and demand; and we will review this together in 2019. As our response to recommendation 2 above states, this service offer is different to the current Universal Support model. The new service will be more flexible to tailor to the claimant’s need and include a wider range of support, including help to access Universal Credit online, help with getting ready for a first Universal Credit payment, as well as other support activities, such as help with identity verification.

**Recommendation 5:**

We recommend the Department extend Universal Support to include a core offer of debt advice and support in negotiating with creditors.

21. This service is already delivered outside of Universal Support; therefore the Government does not accept this recommendation. We recognise that many people, at some stage in their lives, will need help with complex, often interrelated financial issues in terms of budgeting, saving, retirement planning and managing debt. The Government is committed to ensuring that people, especially those who are vulnerable, have access to the information and guidance they need to make effective financial decisions throughout their lives.

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³ https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statements/?page=1&max=20&questiontype=AllQuestions&house=commons%2clords&dept=53&keywords=Verify
The Government recognises the importance of ensuring that people are able to access debt advice. That is why this year the Government increased the levy funding made available to Money Advice Service to spend on debt advice to £56.3m.

22. In addition to increased funding, the Financial Guidance and Claims Act 2018 provides for a new Single Financial Guidance Body (SFGB), which will bring together the services currently delivered by the Money Advice Service, the Pensions Advisory Service and Pensions Wise. The SFGB, as with the existing services at the moment, has a statutory responsibility to deliver free and impartial money and pensions guidance and debt advice.

23. The SFGB will deliver its services to anyone that needs it, but has a statutory obligation to ensure it takes into account people in vulnerable circumstances. While it is for the body to decide its target audience, we are clear that it must have regard to those who are more likely to have low levels of financial capability and are unable to afford financial advice (this includes people on Universal Credit and the automatically enrolled who may struggle to manage their money effectively).

24. The SFGB are on course to launch, as planned, in January 2019.

**Recommendation 6:**

*We recommend the Department gather and publish data on deductions for debt from Universal Credit awards. This should include data on deductions as a proportion of the overall awards. It should use this, alongside commissioning advice from debt experts, to review its maximum deduction caps and ensure they are set at levels that would be sustainable for most claimants.*

25. The Government agrees with the recommendation to publish data on deductions. Currently, we gather data on deductions from Universal Credit; however, this is not routinely published.

26. As Universal Credit roll-out is now complete and there is now over 1.4 million claimants on Universal Credit, the Department is considering publishing deduction data on a more regular basis.

27. Deductions may be a mix of debt repayment and on-going service usage (for example, in the case of deductions for utilities, such as fuel and water). It is not possible for us to break the deduction data down further to provide information specifically on debt and non-debt payments.

28. The Department does not routinely collect information on a claimant’s total debt; it is not part of the information-gather process, at the initial claim stage.

29. Information has been published in response to Parliamentary Questions, which provide recent data on deductions on Universal Credit awards. These show:

- In August 2018, less than 0.6% had a total deduction amount which exceeded 40 per cent of the standard allowance (this does not include sanctions or fraud
penalties which are reductions of benefit rather than deductions). In these cases, a priority order is applied so that deductions for rent or fuel costs are applied first, in order to protect claimant welfare.4

- For eligible claims to UC Full Service due a payment in September 2018, 53% (474,000 claims) had a deduction (including to repay advances, for fraud penalties, and for other deductions, but excluding deductions for sanctions). The information on eligible claims at particular deductions levels is as follows:
  a) 7% (60,000 claims) of eligible claims had deductions at 40% of the Standard Allowance;
  b) 13% (114,000 claims) of eligible claims had deductions above 30% of the Standard Allowance;
  c) 24% (213,000 claims) of eligible claims had deductions above 20% of their Standard Allowance;
  d) 39% (347,000 claims) of eligible claims had deductions above 10% of their Standard Allowance.5

30. In the Autumn Budget of 2018, we announced a reduction in the cap of 40% of the standard allowance that can normally be taken for deductions, to be reduced to 30% from October 2019. The cap will be much lower than the equivalent rates of deductions in the legacy system of benefits and Tax Credits.

31. UC claimants who currently have deductions of over 30% will benefit from this change, because they will have up to 10% more of their Universal Credit standard allowance available each month. By the end of 2019/20, it is forecast that around 290,000 UC households will have had reduced debt payments by an average of £295 over the year.

**Recommendation 7:**

*We also recommend that repayments for Advance Payments are included within the caps. This will help to ensure that the design of Universal Credit does not prevent it from achieving its objectives.*

32. This is already the case. The repayment of advances in Universal Credit are already included in the 40% cap; this will also be the case when the cap is reduced to 30% from October 2019. In addition, from October 2021, advance payments can be paid back over 16 months.

**Recommendation 8:**

*We recommend that the Department introduce a flexible, discretionary approach to debt deductions that learns from the best examples in the retail sector. This should include:*

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4 Parliamentary Question – 192731
5 Parliamentary Question – 196810. NB Claim numbers are rounded to the nearest 1,000.
Improved communications with claimants about what deductions are being made, for what purpose and for how long. This should be issued before the deductions start, giving claimants time to prepare and understand their budget;

Changing guidance to DWP decision makers, setting out clearly how they should go about assessing affordability of debt repayments;

Clear guidance on the circumstances in which deductions should not be applied owing to a risk of harm to the claimant, and on assessing requests for reduced deductions and payment breaks.

33. The Government has already put steps in place to improve the processes and communication related to debt deductions. The statutory framework for deductions provides important safeguards for both claimants and taxpayers in the recovery of debt, which are subject to approval by Parliament. The Department’s Debt Management Team will always aim to agree repayment levels that are affordable and sustainable.

34. Any deductions for Government debt will be itemised on the claimant’s statement. Recent improvements allow claimants to see a breakdown of what they are repaying and unlike the legacy system, deductions of debt are automatically adjusted, to account for any changes in payment rate throughout the repayment period, and stopped once the debt has been repaid. That flexibility is not possible within the legacy system as each amendment requires user intervention.

35. As mentioned in the response to recommendation 6, from October 2019 the Government will reduce the maximum rate at which deductions can be made from a Universal Credit award from 40% to 30% of the standard allowance. This will ensure that those on Universal Credit are supported to repay debts in a more sustainable and manageable way. From October 2021, the government will also increase the maximum period over which advances will be recovered, from 12 to 16 months. It is also worth noting that in some circumstances, repayment can already be extended by a further 3 months.

36. The implementation of a breathing space and a statutory debt repayment plan is a 2017 manifesto commitment. It aims to give people in problem debt the opportunity to take control of their finances and put them on a sustainable footing. Breathing Space gives someone in problem debt the right to legal protections from creditor action while they receive debt advice and enter an appropriate debt solution. The Government is currently consulting on this policy; and if there are implications for Universal Credit flowing from that consultation, we commit to reflecting on the Committee’s position in that process.

37. More information can be found on this at:

https://www.gov.uk/government/consultations/breathing-space-scheme-consultation-on-a-policy-proposal

38. The processes for dealing with third party deductions have been automated and will improve the speed and accuracy of dealing with a request from a third party to recover money on their behalf. The claimant’s statement will now also include a breakdown of the detail of their third party deductions; and claimants will also be notified automatically when third party deductions change or end.
We have also published a Third Party Payments Creditor/Supplier Handbook for claimants to ensure we have communicated the purpose of deductions.


**Delivering Universal Support**

**Recommendation 9:**

*We recommend introducing a new ‘Support conversation’ between Work claimants at the start of every Universal Credit claim. Work Coaches should then be required to revisit support needs at periodic intervals, in case a new need emerges.*

39. Our Work Coaches already have support discussions, as part of the claimant commitment discussion. Therefore, the Governments accept this recommendation in principle. Within the Claimant Commitment, the Work Coach will document the activities aimed at supporting the claimant to move into work, move closer to work or increase their earnings. Each Commitment is tailored and the activities recorded personal to the individual claimant’s circumstances. We have had over 1 million claimant commitment conversations. The design of the new ‘Universal Support: Help to Claim’ service will ensure that claimants can quickly access the support that they need.

**Recommendation 10:**

*We recommend the Department work with Citizens Advice to agree and define minimum standards for publicising Universal Support and referring claimants to support. This should include implementing ‘a no wrong door’ approach whereby claimants can be referred directly to providers from whichever organisations they present to; rather than having to go via Jobcentre plus.*

40. The Government agrees with the Committee’s recommendation and are working with Citizens Advice and Citizens Advice Scotland to build this into the design of the new Universal Support offering. There will be a number of ways people can be referred onto the new Universal Support service including referral/signposting from Local Authorities, other support agencies and self-referral. Citizens Advice and Citizens

41. Advice Scotland have based their model on a ‘no wrong door’ referrals approach which supports multi-channel access across online, face-to-face and phone, in line with other Citizens Advice services. The service will be publicised locally by Citizens Advice.

**Recommendation 11:**

*We recommend that the Department commit now to funding Universal Support throughout the managed migration period.*

42. The Government is committed to providing tailored support as claimants go through Managed Migration, and more broadly, we will continue funding for Universal Support in 2020.
43. Using the learning from the piloting phase of Managed Migration, and the experience of Citizens Advice and Citizens Advice Scotland in delivering the new Universal Support service, we will agree the most appropriate support for all claimants throughout the Managed Migration period.

**Recommendation 12:**

*We recommend that the Department commits to improving co-location of Universal Support providers and Jobcentre Plus. It should co-ordinate this exercise with the roll-out of managed migration. As a first step, it should set out key milestones and targets for colocation in response to this report.*

44. The Government accepts this recommendation and the Department already encourages its teams, at a local level, to work in partnership organisations to deliver services to our claimants, and vice versa, where local circumstances allow. For example, we have arrangements in place between Citizens Advice and 187 of our Jobcentres, where Citizens Advice advisors will base themselves regularly at a Jobcentre. We also provide outreach services jointly in Local Authorities, along with other organisations. We encourage all our Jobcentre teams to consider opportunities for partnership-working, it is part of our normal working practice to promote this where local circumstances allow. We have asked Citizens Advice and Citizens Advice Scotland to take into account what works best, locally, when developing their new Universal Support offer.

**Managed Migration**

**Recommendation 13:**

*We recommend the Department set out in response to this report how it will go about communicating managed migration plans to all involved, broken down by group: claimants, Jobcentre Plus, local authorities and local support services. This should include setting out plans for additional, targeted, personalised communications with vulnerable groups and the organisations supporting them, beyond the generic communications it already has planned.*

45. The Government agrees with the Committee’s recommendation. Migration communication plans for the groups mentioned are being developed collaboratively with stakeholders and partners in a process we expect to finalise in 2020, in line with the revised timetable for the implementation of Managed Migration. We do not underestimate the challenge that Managed Migration represents. We will start, from July 2019 and over the following 12 months, move no more than 10,000 claimants from legacy benefits to Universal Credit. Working closely with stakeholders through this period will enable us to design the best solution. The design will focus on safeguarding claimants and ensuring a smooth transition with uninterrupted support.

**Recommendation 14:**

*We recommend the Department agree with stakeholders, including Citizens Advice and Citizens Advice Scotland, clear key performance indicators (KPIs) for Universal Support, and share these in draft with this Committee before they are adopted. These*
should go beyond referrals and take-up should focus on outcomes for claimants. The Department should commit to publishing regular updates on whether the KPIs are being met, and should make meeting them a condition of proceeding with managed migration.

46. We have set out, in our response to the Social Security Advisory Committee's (SSAC) consultation on the Managed Migration regulations, that we will set objective criteria for judging the readiness to start Managed Migration at volume in late 2020. These criteria will be informed by what we discover in the piloting phase of Managed Migration in 2019/20. The Government has committed to publishing this assessment.

47. We have developed some high level key performance indicators set out below. We will be working with Citizens Advice and Citizens Advice Scotland to develop the detail for these measures.

**High Level Key Performance Indicators**

**Quality**: To ensure quality support is in place, in our face to face delivery work undertaken

**Demand**: This will be based on the number of people helped by the service.

**Customer Satisfaction**: After each contact, if a client gives consent, we will follow up with them to understand their experience of the service. This will be done by email, SMS or follow up call.

**Additional Performance Indicators reported**

- Volumes - by level of support
- Proportion of original forecast demand met - by level of support
- Average number of issues per client
- Proportion of clients accessing service by each identified route
- Client outcomes e.g. additional financial gain