Dear colleague,

The next phase of Universal Credit – Move to UC and SDP payments

I wrote to you last week setting out progress on the regulations that allowed us to proceed with our “Move to UC” Pilot, and which have also allowed us to proceed with making important transitional payments to many recipients of the Severe Disability Premium (SDP).

I am delighted at how well the announcements on progress and the regulations have been received by our claimants and stakeholders. Some of you may know that as a result of enacting these regulations, we are already making some payments to those who need them, and have started supporting our very first cases through the “Move to UC” process at our hub in Harrogate.

Our Secretary of State has asked us to continue, over the summer, to move forwards and work with you to discuss the other things that you think need input, and that we can work together to improve next – we are looking forward to doing that.

In that spirit, at our last event together I promised I would let you know about the next phase of joint-working events and the topics that they would cover. We listened to your feedback and input in deciding the themes for these events and I am pleased to now be able to confirm that we will be holding smaller discussions over the summer, initially covering the topics of Indebtedness and Consent in UC.

We have already been discussing with a small number of you how best to develop these joint-working events but if you wish to participate in one or more of these events or nominate one of your colleagues to do so, please do let us know at the normal email address, as soon as possible – we’d like to hold the first series of discussions on Indebtedness, during the final week in August: universalcredit.engagementteam@dwp.gov.uk

On the regulations themselves, I believe that colleagues in the Disability Benefits Consortium have asked how we arrived at the increased SDP payment amounts. As you may know, the intent of Ministers is to ensure that claimants do not see a cash loss of an equivalent amount of SDP on changes of circumstances, assuming the conditions of entitlement to the SDP are
still satisfied. Therefore, the amounts paid reflect this, net of any payment of a Limited Capability for Work Related Activity (LCWRA) entitlement.

When we met in June, I said that I might need your help in explaining to others why the pilot and development of the associated processes needs to go ahead. So I write for your help on one specific matter. A Prayer (a form of parliamentary motion) has been laid which, if agreed, would annul the regulations. If it were agreed, we would have to suspend payments in respect of SDP for anyone already assessed as entitled, of up to £405 per month, and there would be no legislative basis to pay those cases not yet assessed. By the autumn this could be very many cases. I cannot believe, knowing this, that any parliamentarian would want this to happen, cutting the levels of UC paid to these severely disabled claimants.

We cannot split the SDP transitional payments from the Pilot aspects within the regulations because it would entail creating a new form of Transitional Protection. As the SDP transitional payments are inextricably linked with the wider rules for Transitional Protection, it is essential that provisions for former SDP claimants form part of the regulations that introduce Transitional Protection as part of managed migration.

I need your help in explaining our limited room for manoeuvre and what the consequences of a vote against the regulations would be. I believe there is a consensus amongst stakeholders that these payments should be made. Ministers will make the case for this. I know your support making this case would be greatly valued because of your expertise.

Neil Couling
Director General, Universal Credit Programme