

Statement to Parliament: Announcement on probate fees

I have today laid before Parliament new legislation to implement a new, banded structure of fees for a grant of representation, commonly known as a grant of probate.

Fees are an essential element of funding an effective, modern courts and tribunals service, thereby ensuring and protecting access to justice.

The Government is investing £1 billion to modernise and upgrade the courts system so that it works even better for everyone, including victims, witnesses, litigants, judges and legal professionals. This includes introducing changes to our Probate Service, who offer an important service to those who are bereaved.

The reform of the service allows people to apply for a grant of probate online, access assisted digital support for those who many not necessarily have the skills or access to engage digitally and empowers individuals to make applications themselves instead of needing to instruct and pay for solicitors. This aims to reduce the burden on applicants, by providing a more efficient and simpler application process.

But such a courts system is simply not possible without proper funding. Since the previous Government set out its intentions to introduce a banded fee structure for grants of probate in February 2017, a number of concerns were raised. We have listened to these very carefully, and under today's proposal we have revised fees so they will never be more than 0.5% of the value of the estate.

Moreover, by raising the estate value threshold from £5,000 to £50,000, we will be lifting around 25,000 estates annually out of fees altogether. For those who do pay, around 80% of estates will pay £750 or less, and all income raised will be spent on running the courts and tribunal service.

It has long been the case that the users of our courts make a contribution to its costs, and we believe this remains both relevant and reasonable – minimising the burden on other taxpayers. Crucially, by asking those who use the courts to pay more, where they can afford to do so, we are able to fund areas where we charge no fees to vulnerable victims and users, including for example domestic violence and non-molestation orders, and for cases before the First-tier Tribunal concerning mental health.

This new banded fee model represents a fair and more progressive way to pay for probate services compared to the current flat fee and reflects our commitment to protecting access to justice by ensuring we have a properly funded and resourced courts system. We are also confident these fees will never be unaffordable. The cost of the fee is recoverable from the estate and executors have several options to fund it. Moreover, the Lord Chancellor

retains a power to remit a fee if he considers there are exceptional circumstances.

We will also publish a guidance document before the Statutory Instrument comes into force, entitled Guidance on Ways to Pay for Probate Fees. This will benefit from external stakeholder input, and will help applicants to choose the option to pay which most suits their circumstances, providing reassurance at a difficult time.

Press release: Universal Credit managed migration: reducing the risk to claimants

The Secretary of State for Work and Pensions (the Rt Hon Esther McVey MP) today presented to Parliament SSAC's independent advice to reduce risk for millions of claimants on 'legacy' benefits when they are due to be moved onto Universal Credit. The government's response, also published today, accepted most of the committee's recommendations.

The original proposal required millions of claimants on 'legacy' benefits to make a claim to Universal Credit, presenting a huge operational challenge for the Department for Work and Pensions (DWP), and leaving claimants at risk of financial hardship as they move from fortnightly to monthly payments.

Professor Sir Ian Diamond, Committee Chair, said:

We are delighted that both the Chancellor of the Exchequer and the Secretary of State for Work and Pensions have listened to the advice of this committee – and to the views of the 455 stakeholders who submitted evidence to our consultation – and taken steps to reduce risk for millions of people.

When we put our advice to government on their proposals for migrating existing claimants to Universal Credit we welcomed the fact that they ensured the vast majority of claimants would not lose out financially at the point of migration. But in several other respects we were concerned that too much risk was being loaded on to individuals. Our advice made clear that needed to be addressed, especially for those out-of-work claimants whose circumstances have not changed and who will be forced to move from fortnightly to monthly payments. It was clear that there were steps that the government could, and should, have been taking in preparing for managed migration that would reduce the risk to claimants. We are pleased that the government has largely accepted

our advice – in particular by introducing a 2 week run of payments to out of work claimants to bridge the gap before Universal Credit is paid, by taking more time over the testing phase, by ensuring those whose claim is late or who make a mistake in their initial claim don't lose protections, and by agreeing to publish operational readiness tests which have to be met before the main migration begins.

Nonetheless, a lot of detail still has to be worked out. We are disappointed that the DWP continue to expect that everyone must make a claim to Universal Credit in order to be migrated to it. And we remain concerned about the degree to which the department will in practice demonstrate the openness and flexibility to which they have committed. We look forward to working with them on more detailed plans.

Liz Sayce, the Committee's Vice-Chair, added:

The sheer scale of the operational challenge facing DWP cannot be underestimated. Millions of individuals are relying on the government to get this right. The department estimates that at least one-third of this group will be disabled people currently dependent on Employment and Support Allowance. Many with, for instance, serious health conditions or learning difficulties will struggle to complete a claim online. We welcome the government's commitment to ensure that disabled people are supported through the claims process, including taking claims during home visits and over the telephone, and we are keen to work with the department on the detail of these plans to ensure they work well for all disabled people.

When the committee looked at the government's proposals it recognised that the challenge facing DWP is exceptionally difficult. It is a huge logistical task to contact millions of people, who may be receiving up to 4 different benefits administered by 3 different organisations, collect any additional information needed to determine entitlement, and seamlessly terminate legacy benefit awards (with different rules and definitions) as Universal Credit awards start, without leaving any gaps or overlaps in entitlement.

Many of the committee's concerns focussed on the claims process itself and on the move to monthly payments. It is of the firm view that the migration plans should, as far as is possible, minimise the risk to claimants. The proposals presented to the committee in June did not do that. In fact, in some respects, the department had chosen to reduce its own risk by transferring it to claimants – most obviously, through the proposal to require all existing claimants to make a fresh claim for Universal Credit. While in some circumstances that approach may be unavoidable, but in many it should be possible to make migration less burdensome, and less risky, for claimants.

In examining each of the proposals, the committee considered the following questions:

- is it deliverable – is it likely to work or would it be too complex or unwieldy?
- is it explicable – will those affected understand it and what they must do?
- is it proportionate to the problem it is trying to solve?
- is it fair – for example, does it impose disproportionate burdens on particular groups of people?

The committee's 12 recommendations focussed on those aspects of the proposals that did not meet the above criteria. In particular it called on the government to undertake a rigorous and transparent assessment of its operational readiness – including the potential impact on different groups of claimants – and to engage delivery partners and claimants in developing its detailed delivery plans and communications. Its recommendations also made clear that the responsibility for ensuring that claimants are moved safely onto Universal Credit rests with the government.

The committee therefore welcomes the Chancellor of the Exchequer's [2018 Budget statement](#) on 29 October which made clear the government's intention that the migration to Universal Credit should be as smooth as possible. In particular, it welcomes the Chancellor's announcement that out of work claimants who are currently reliant on fortnightly benefits will receive a 2 week run on of benefit.

The committee also welcomes the Secretary of State's positive response to the majority of our recommendations, and looks forward to continuing to work with her in ensuring that these proposals are delivered safely and without putting vulnerable customers at risk.

The committee also thanks the many individuals and organisations who responded to its request for advice. This informed and enriched its own understanding of the likely effects of DWP's proposals. The committee is indebted to them for their help.

Read the [committee's report on the Universal Credit managed migration proposals](#).

More information

At the point at which the draft proposals were presented to the committee in June, the department estimated that, over a 4 year period from 2019 to 2023, 2.09 million households (2.87 million individuals) will have been migrated. It was also estimated that the majority of claimants being migrated are currently in receipt of tax credits (54%) and Employment and Support Allowance (36%).

SSAC is an independent advisory body of the Department for Work and Pensions.

The committee's role is to give advice on social security issues; scrutinise and report on social security regulations (including tax credits) and to consider and advise on any matters referred to it by the Secretary of State for Work and Pensions or the Department for Communities in Northern Ireland.

The committee membership comprises: Sir Ian Diamond (Chair), Bruce Calderwood, David Chrimes, Carl Emmerson, Chris Goulden, Philip Jones, Jim McCormick, Grainne McKeever, Dominic Morris, Seyi Obakin, Judith Paterson, Charlotte Pickles, Liz Sayce and Victoria Todd.

Further enquiries should be directed to Denise Whitehead, Committee Secretary, on 020 7829 3354.

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fortnightly to monthly payments. It was clear that there were steps that the government could, and should, have been taking in preparing for managed migration that would reduce the risk to claimants. We are pleased that the government has largely accepted our advice – in particular by introducing a 2 week run of payments to out of work claimants to bridge the gap before Universal Credit is paid, by taking more time over the testing phase, by ensuring those whose claim is late or who make a mistake in their initial claim don't lose protections, and by agreeing to publish operational readiness tests which have to be met before the main migration begins.

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Press release: UK Export Finance appoints Kimberly Wiehl to Board

UK Export Finance (UKEF) has appointed Kimberly Wiehl, a leading finance professional with specialist experience in international export credit, as a non-executive member of its Board.

Ms Wiehl brings over 15 years' experience in board-level roles promoting international trade, cross-cultural education and business skills. This experience will be key to the UKEF board which provides operational oversight, advice, challenge and assurance to the Accounting Officer. Ms Wiehl will be a member of the Board's risk sub-committee, guiding UKEF's credit risk management policies, and its remuneration sub-committee, with oversight of the pay and reward strategy.

Her experience includes ten years as Secretary-General of the Berne Union, the global association of credit and investment insurers, of which UKEF was a founding member. In this role, Ms Wiehl oversaw significant growth in membership among newly established export credit and private insurers, the adoption of a new value statement and strengthening of relationships with global financial institutions including the World Bank, International Financial Corporation, World Trade Organisation and Organisation for Economic Co-operation and Development. Kim previously spent 20 years at JPMorgan.

She is on the board of the Women's Business Development Council (WBDC), which supports female entrepreneurs, and the Executive Committee of the SHARE Fellowship, which offers scholarships and mentorship to exceptional students from developing countries.

Welcoming her appointment, Louis Taylor, Chief Executive Officer of UK Export Finance, said:

I am very pleased to welcome Kim to UKEF's board. Her unparalleled knowledge and breadth of experience in the field of export credits will prove invaluable as we look to shape UKEF's strategy now and in the future.

Kim Wiehl said:

UKEF has for nearly 100 years led the way in providing exceptional support for international trade. I am delighted to be joining the board ahead of the organisation's centenary in 2019 and look forward to being part of UKEF's next chapter as it enters its second century as a world class export credit agency.

[UK Export Finance](#) is the UK's export credit agency and a government department, working alongside the Department for International Trade as an integral part of its strategy and operations.

Our mission is to ensure that no viable UK export should fail for want of finance or insurance from the private market. We provide finance and insurance to help exporters win, fulfil and ensure they get paid for export contracts.

Sectors in which UKEF has supported exports include: aerospace, healthcare, infrastructure, telecommunications and transport.

UKEF has a [national regional network of 24 export finance managers](#) supporting export businesses.

Our range of products includes:

- Bond insurance policy
- Bond support scheme
- Buyer & supplier credit financing facility
- Direct lending facility
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Media enquiries: Claire Lynch, Media Relations Officer

Email

claire.lynch@ukexportfinance.gov.uk

Telephone

+44 (0)20 7271 8100

Mobile

+44 (0)7791 795992

Out of hours

+44 (0)207 215 2000