

Improving Universal Credit

I had a meeting with Ministers today about Universal Credit. The transition locally so far has gone fairly smoothly, but there are issues that need sorting out to ensure that claimants do not lose out from change, and to ensure that the benefits sustain those in need whilst providing incentive to those who can work. So far Universal Credit has been a helpful backdrop to a range of policies that have succeeded in stimulating the private sector to create many more jobs and to get many more people into work.

Under the old system people had to claim six different benefits from three different government departments. The marginal rate of tax and benefit withdrawal could be a penal 90%. Under the 1997-2010 government the number of households where no-one was working almost doubled. The single system with a single department should make access easier and distribution costs lower. The government has scrapped the original 7 day waiting period, made advance payments easier for those who need them and are improving benefits for the disabled. This was in response to sensible criticisms of the original scheme which I and others took up at the time.

The roll out of Universal Credit is deliberately slow to try to avoid mistakes and to make improvements as it is brought in. I want it to be generous to those in need, and helpful to those who want to get into work. If there are comments people want taken into account, please let me know.