

Government sets out its approach to Universal Credit

Universal Credit is a modern benefit based on the sound principles that work should always pay and those who need support receive it.

The old system failed to reward work

It replaces an out of date, old system that disincentivised work and trapped people on benefits. The system we are replacing was a complicated mix of six different benefits from 3 separate government agencies (HMRC, DWP and Local Authorities).

It failed to make work pay because it created 'cliff edges' – where people suddenly lost lots of money if they worked more than 16, 24 or 30 hours. This meant some people paid an effective tax rate of over 90 per cent – denying them the opportunity of more work.

Under this old system, 1.4 million people spent most of a decade trapped on benefits instead of being helped into work. Taxpayer-funded welfare spending went up by over 60 per cent (£84 billion in today's prices) under Labour, and the number of households where no one had ever worked almost doubled.

As well as trapping people on benefits, 700,000 households are missing out on benefits they are entitled to, losing on average £285 a month. Universal Credit puts all that right.

Why Universal Credit is a better system

Universal Credit replaces these benefits with one, simple, single payment, and is working for the vast majority of claimants – adding to our employment success which has seen on average over 1,000 more people moving into work each and every day since 2010, and youth unemployment more than halve.

Under Universal Credit claimants have a dedicated one-to-one work coach, who stays with them throughout their claim, helping them into work. It is a more flexible benefit, covering 85% of child care costs for working parents, compared to just 70% under the legacy system, and is designed to ensure that people are better off for every additional hour worked.

When rolled out, Universal Credit will help an extra 200,000 people into work, and empower people to work an extra 113 million hours because they are better off for every additional hour worked. It will also ensure that around 1 million disabled households receive an average of £110 more per month.

Analysis shows that people claiming Universal Credit are more likely to find a job compared to Jobseekers allowance, are supported to work more hours and those in work and on Universal Credit increase their earnings on average by £600 per year.

Taking a 'Test and Learn' approach

However, we are also listening and responding to concerns about how Universal Credit supports people and constantly looking to improve the benefit.

Significant changes have been made to the system already. We have removed the 7 waiting days, made 100% advances available, and provide an additional 2 weeks of housing benefit for claimants moving onto UC. The opposition cynically voted against these measures earlier this year – risking vital

support for claimants.

The government has reviewed legal cases reversing past positions and not appealed court decisions allowing the Department to reinstate housing benefit for 18-21 year olds, exempted kinship carers from changes to the Child Tax Credit element of Universal Credit, and announced measures to protect 500,000 severely disabled people when they move to Universal Credit.

This has been the 'test and learn' approach to UC, and importantly where further improvements need to be made we will do that too.

What we are doing next

By December, Universal Credit will have rolled out to every Job Centre in the country. This means that people who are making new claims to our benefits system now receive Universal Credit rather than the being put on the old system.

Soon we will start the wider process of moving people from the old benefits system onto Universal Credit, following the passage of regulations in Parliament.

These regulations allows us to move claimants onto UC, and provide transitional protection. These are important regulations to pass, in order to ensure that targeted support reaches those it is designed to help.

Throughout managed migration, we will continue to take a slow and measured approach. This will not begin in January 2019, but later in the year, after a period of preparation. For a further year we will then begin migration working with a maximum of 10,000 people, continuing with our 'test and learn' approach. This is to ensure the system is working well for claimants and to make any necessary adaptations as we go, until full roll out ends in 2023.

Whilst we are helping millions more into work, Labour don't have a plan. They want to scrap – or pause UC – returning to either a costly legacy system which was confusing for claimants, trapped people out of work, and unaffordable for taxpayers, or a Universal Basic Income for all regardless of their circumstances – the Billionaire's benefit. In stark contrast, Universal Credit ensures that we have a welfare system which is a safety net that rewards work, is fair to taxpayers, and sustainable for the future.

[The UK after Brexit](#)

Freedom day is the day we leave the EU. It is one of those curious cul de sacs of history that the UK, a fiercely independent and democratic nation, spent 47 years with increasing shackles over our decisions in the EU. Like Gulliver, the UK found herself bound by more and more rules and regulations from Brussels, tied down by something UK voters were told was just a trading bloc. This so called common or single market was of course nothing less than a political Union in the making. The project of full economic, monetary, social and political integration was fully understood on the continent, but constantly denied by dishonest UK politicians. They were aware that UK voters were unlikely to sign up to the full scheme, so they pretended it was not

happening.

Reality kept threatening to break through. Early skirmishes about whether Brussels should settle our labour laws or not were on party lines, with the left once in charge giving these issues away to the EU. The UK had a proud record of leading improvements in employment standards before we joined. Both major parties in the UK grasped that UK voters would not accept the abolition of the pound and the substitution of the Euro, so the UK negotiated an opt out from the biggest push so far for full union. There was an attempt to side step a common migration policy, but the EU found ways to require the UK to join them in a large part of their common borders regulations. Many UK voters disliked intensely the idea that they could no longer decide their money, their borders and their laws through UK elections and by lobbying their Members of Parliament. When they were given the chance to decide, they decided to leave the EU to take back control of their government.

Once we have left the UK can start to exercise her democratic rights again. The country that did so much to spread democracy around the world, provided the Mother of Parliaments, and had some of the earliest struggles to control the executive and create a proper democratic franchise, will need to learn again how to do things for herself through her own democratic institutions. It is true the UK did not distinguish herself by resisting the democratic forces of the Founding fathers of the USA. It is one of those ironies that those early Americans who championed the rights of the settlers did so from English precedents and from English political and philosophical writings. Today, as with the American revolution, the Mother of Parliaments at Westminster has to be taught a lesson in applying her own beliefs. Too many MPs and members of the House of Lords regret the decision of the people, and have sought to deny democracy her rights. They will have to accept that the UK is leaving the EU and will be better off from doing so.

So what we will we do with our freedoms? We will become a keen advocate of free trade globally, signing deals with those who share our vision of the power of free trade to spread and increase prosperity. We will liberate our fishing grounds from the Common Fisheries Policy, which has been unkind to our fish and to our local fishermen and women. We will put in place a migration policy that is fair to all corners of the world, eliminating the European preferences in the current system. We will be able to spend the large annual sum we currently send as tribute to Brussels on our own priorities at home. We will regain control of our tax system, permitting us to amend and change the system the EU has imposed on taxing transactions through a Value Added Tax.

I find the delays in getting out unacceptable and the fears expressed usually ludicrous. What part of "Leave" did the politicians not understand when they asked the people to decide? Why do they not see that spending our own money and making our own laws must be better, and should lead to greater prosperity for the country. The good news in all this is once again the people have proved to be more sensible than the political and administrative establishment who advise them and seek to control them.

Long live freedom. There is nothing to fear, and everything to welcome. I

want my country to be self governing once again. Then if the politicians get it wrong, the people can kick them out and try with a new team. All the time we live under Brussels we have to accept the inflexibility and injustice of their laws.

Re-opening of Maiden Place Post Office

Following the temporary closure of Maiden Place Post Office, the Post Office will be re-opening the branch on Friday 9 November 2018. This will be in a new location – WHSmith, 10 Maiden Lane Centre, Lower Earley, Reading, RG6 3HD.

I am told that the branch will offer a wide range of Post Office products and services over longer opening hours, so that customers can access their Post Office when convenient.

The Post Office is seeking suggestions about specific aspects of the change such as access arrangements and the internal layout. You can make your views known at:

<https://www.postofficeviews.co.uk/national-consultation-team/maiden-place-rg6-3hd-257939/consultation/intro/>

How not to negotiate with the EU

Too many in the UK government have always wanted to do the EU's bidding. The preferred style of negotiating in the EU has been to ask the Commission what it is seeking to get through, then to tell Ministers that is what they have to accept or ask for. Labour in office had a fear of disagreeing with the EU, so they railroaded through measure after measure whilst claiming it was of little significance or something they had wanted all along. They fortunately realised they could not do this with the Euro, so they used the opt out the Conservatives had negotiated. Labour went on to sign us up to the Treaties of Nice, Amsterdam and Lisbon, with the sacrifice of many vetoes, whilst claiming it was all unimportant and still left us as a powerful independent country. That claim when you pressed revolved only around our right to vote to leave the whole thing, as we could no longer make many changes we wanted to our laws, our budgets and our borders on our own initiative.

The EU itself used the system of rotating Presidencies to push its own vast power grab. When a new member state took over the Presidency of the Council, officials would recommend items from the large EU programme of work that they

thought that country or the particular Minister would like to see, and then use them to try to accelerate the passage of those particular items. The UK was always marked down as a member state which under either a Conservative or a Labour government wanted to pursue the single market agenda, so it was brought into play to help put through regulation after directive to control business, stitch up specifications and ways of doing things, and put more and more under the control of the EU and European Court of Justice.

It is therefore not surprising that the civil service defined the Brexit task in a similar way. They forgot or did not worry that they had tried this foolish way of negotiating when Mr Cameron set them the task of negotiating a better deal for the UK to enable the country to stay in. The civil service talked him into flying from capital to capital to ask them what they would be prepared to grant, to avoid the embarrassment as they saw it of asking for things they would not allow. As a result Mr Cameron ended up asking for very little. He then discovered the hard way that that did not mean he would be granted the very little he asked for. The EU saw it as a negotiation and were presumably pleased that the original ask was so modest. The civil service were then ready to tell him he needed to moderate his very modest demands in order to get an agreement! The final deal was an insult of a renegotiation, which led the UK voters to reject the whole thing.

When it came to Brexit Ministers and the civil service were sent full details of how a good Brexit looked by Eurosceptic thinkers and politicians. Ministers and officials accepted the advice that we needed to send a letter to get out in international law, and to enact the Withdrawal legislation to get out in UK law and to create legal continuity under UK control. They then set about watering down or delaying everything else. The Home Office failed to follow through with the recommended new migration policy. The Home Secretary promised an early Migration paper which never emerged. The Environment Department failed to set out an early new fishing and farming policy ready for March 2019. The Treasury not only refused to set out a post 2019 budget to spend the savings but went out of their way to avoid savings, by encouraging more and bigger payments to the EU after we technically leave. The Business Department worked with a few international companies that did not like Brexit, instead of preparing a policy designed to make the most of the new freedoms once we are out.

Too many civil servants defined their role as to ask anyone in business or elsewhere who disagreed with Brexit to give their best scares over what might happen if we left, and then confront Ministers with these as obstacles to a full or early Brexit. They seemed to suspend their critical faculties, as many of the scares were absurd. A whole series related to the UK not being able to import things after Brexit because we would clog our own borders! Why would we do that, and where was the policy to do it, which was certainly never defined nor announced. The task they were set was to identify those things that we could change and resolve for ourselves, and those things that would work more easily if there were agreements with the EU or individual member states. The task became a vast new Project Fear, with many bogus problems and few of the obvious answers.

Worst of all has been the negotiating strategy. Once again there were endless

Ministerial visits to countries that disagree with us, to get Ministers to water down the ask. There were also lots of meetings with those parties and interests in the UK who disagree with Brexit, but precious few with all the forces for Leave to provide a balance or refutation of what was learnt from the subverters of leaving. The officials and Ministers swallowed the idea that the Irish border was an issue, that we do have at least a moral obligation to pay lots more money for much longer to the EU though there is no decent legal base for that, that there is something called smooth trade at borders which only EU membership can sustain. Why did they not understand we have very smooth access for Chinese imports for example under WTO rules from a country which was not a member of the EU when I last checked. The UK Ministers accepted advice that put the UK in the position of petitioner or offender, rather than rightly posing as the customer of the EU's big exporting industries that wants a better deal.

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.