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Clare Adamson MSP  
Convener  
Social Security Committee

[SocialSecurityCommittee@parliament.scot](mailto:SocialSecurityCommittee@parliament.scot)

3 April 2018

Dear Ms Adamson,

As you know we are committed to working with the DWP to abolish the bedroom tax at source through Universal Credit, and to mitigating the bedroom tax in full through the use of Discretionary Housing Payments until that can be achieved. In line with the Fiscal Commission projections we have budgeted for £50m of DHPs for bedroom tax mitigation for the coming financial year 2018/19.

As you will also know fulfilling this commitment means co-operative work with the DWP who hold responsibility for Universal Credit as a reserved benefit.

I was able to announce to Parliament in September last year that the two governments had agreed in principle to a solution that would mitigate the bedroom tax at source and avoid any potential loss to claimants as a result of the UK's benefit cap policy. Both governments had jointly agreed to work to introduce in spring 2019 on the assumption of the passage of the Social Security Bill which will allow us to make regulations to implement the full solution through Universal Credit.

Therefore I was extremely disappointed to be informed by DWP on 12 March 2018 that the changes to be made to the UC system to allow the bedroom tax to be abolished in Scotland will now be delayed until May 2020 at the earliest.

As we had made Parliament aware of the original timeplan, we wanted you to be aware of this new information. I have also attached a letter from the Cabinet Secretary for Communities, Social Security and Equalities to the Secretary of State for Work and Pensions on the 19<sup>th</sup> March to express our dismay at this delay.

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From the outset we have sought reassurance from each Secretary of State for Work and Pensions and from the Secretary of State for Scotland, that the necessarily shared programme of work receive the priority of attention and resource required from each government. On each occasion we have been given that assurance, most recently from Ms McVey.

Our concern is that the DWP is not consistent in displaying either the willingness or the urgency to deliver on what is very much a joint programme of activity over the coming years, and we reiterated the point we have made previously about our concerns over the resources being devoted by the Department for Work and Pensions to this joint programme.

DWP appear to acknowledge that this is an issue and I will be pressing them to take active steps to help local authorities with the additional administrative burden, and we will work with them to explore what can be done.

I will also be informing CoSLA of this change by the DWP to what were our jointly agreed plans.

We do remain committed to working with the DWP to mitigate the bedroom tax at source, as we are so clearly mandated to do and to the necessary joint work to ensure the safe and secure transfer of the devolved benefits.

Kind regards



**JEANE FREEMAN**

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The Right Hon Esther McVey MP  
Secretary of State for Work and Pensions  
Caxton House  
Tothill Street  
London  
SW1H 9NA

19 March 2018

Dear Esther

As you may know, my officials were contacted earlier this week by Neil Couling, Director General Universal Credit, and advised that the changes to be made to the UC system to allow the bedroom tax to be abolished in Scotland would be delayed until May 2020 at the earliest. The original timeframe which our officials had jointly agreed and were working to was Spring 2019.

Abolishing the bedroom tax is an important manifesto commitment and a pledge the Scottish Government has repeatedly made in successive Programmes for Government. I am therefore disappointed and surprised to learn that your Department has not ringfenced our changes to be implemented in 2019 or allocated any dedicated resources to deliver this commitment. We have, it appears to me, been essentially reprioritised in a queue of existing and new work, much of which would appear to post-date the Scottish Government's policy.

While I do accept that your Department will have many priorities, the transfer of these powers from the UK to the Scottish Parliament is a commitment made by politicians from all parties and now law under the Scotland Act 2016. I am becoming increasingly concerned that your Department is not consistent in displaying either the willingness nor urgency to deliver on what is very much a joint programme of activity over the coming years. And while I understand that *our* plans form a key part of the programme which your officials and mine are working hard to deliver, it appears to me that known steps which DWP could and should be taking to prepare for devolution irrespective of our timescale and plans (whether in terms of systems, processes or policies) are either not happening at all or happening at such a pace as to be barely detectable. I have placed concerns about the resources being devoted by the Department to this joint programme on the record with your predecessors on several occasions and am now doing so again.

In terms of the specifics of Mr Couling's letter, I am glad to see an acknowledgement of the additional burden that this unilateral decision will place on Scottish local authorities; however the impact of having to mitigate the bedroom tax for an increasing number of UC claimants should not be underestimated. Furthermore this delay increases the risk of UC claimants not getting the proper support, potentially undermining our policy of full mitigation. I hope it

should be possible for DWP to take active steps to help local authorities with the additional administrative burden, and I expect your Department to engage with us constructively and quickly on this matter.

I have therefore asked my Private Office to contact yours to check your availability for a call hopefully over the course of the next week.

Yours sincerely



**ANGELA CONSTANCE**