



From the Parliamentary
Under Secretary of State
for Work and Pensions

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Jamie Hepburn MSP
Deputy Convenor
Welfare Reform Committee
T1.01
The Scottish Parliament
Edinburgh
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12 May 2012

Dear Jamie,

Thank you for your letter of 16 April requesting more detailed information about welfare reform and in particular Universal Credit.

As you know, the provisions of the Welfare Reform Act 2012 are reserved. However, there will need to be consequent amendments to secondary legislation and some of these will relate to matters that are devolved. The Welfare Reform Bill originally included a proposal to grant powers to Scottish Ministers to enact simple consequent amendments to secondary legislation in Scotland. As you say, this proposal was not agreed and the Scottish Government decided to take powers of its own. However, I would emphasise that it was never our intention that the UK Parliament would legislate for matters that are devolved to the Scottish Parliament.

The Welfare Reform Act 2012 received Royal Assent on 8 March 2012 and the Department has since been developing Regulations containing detailed provisions. This legislation provides for the most fundamental reforms to the social security system for 60 years. It will deliver a system that is simpler, fairer and ensures that work always pays. As you say, a very large amount of work is underway to develop these Regulations along with the required delivery systems.

You refer to uncertainty about when the Scottish Government will receive information from the Department of Work and Pensions that it requires in developing criteria and a system for the delivery of passported benefits. The Department has been working with the Scottish Government and has shared

information that is available. This includes a breakdown of income levels which should enable the Scottish Government to determine eligibility criteria for passported benefits.

You also specifically referred to the following details:

- The entitlement criteria for universal credit and who will receive it.
- The amount of money that the system will provide.
- Details of the taper and income disregards.
- The treatment of savings.
- Income from capital and other types of income.

The Welfare Reform Act 2012 sets legislative framework for Universal Credit. Much of the detail you refer to will be included in the Regulations. We expect to publish draft Regulations in mid-June and we will then engage separately with the Scottish Government. We expect Regulations to be laid before Parliament in the Autumn.

I am copying this letter to the Cabinet Secretary for Health, Wellbeing and Cities Strategy, for the reference of the Scottish Government and the Secretary of State for Scotland.

*Yours sincerely,
David*

Lord Freud

Minister for Welfare Reform