House of Commons

Work and Pensions Committee

Oral evidence: Universal Credit rollout, HC 336

Tuesday 24 April 2018

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Watch the meeting

Members present: Frank Field (Chair); Heidi Allen; Jack Brereton; Alex Burghart; Neil Coyle; Ruth George; Nigel Mills; Chris Stephens.

Questions 530 - 603

Witnesses

I: Kit Malthouse MP, Minister for Family Support, Housing and Child Maintenance, Department for Work and Pensions, and Neil Couling CBE, Director General, Universal Credit Programme, Department for Work and Pensions.

Examination of witnesses

Witnesses: Kit Malthouse and Neil Couling.

Q530 **Chair:** Kit, welcome. Might you identify yourself for the sake of the record? Then we will ask Neil and then I think Alex is going to ask our first question.

Kit Malthouse: Hi. I am Kit Malthouse MP, the Minister for Family Support, Housing and Child Maintenance.

Neil Couling: I am Neil Couling. I am Director General for Universal Credit and the senior responsible owner for the programme.

Q531 **Alex Burghart:** Good morning, both. Minister, please could you set out for us the principle for single payments within Universal Credit? Why is the Department wedded to this idea?

Kit Malthouse: As no doubt you have heard before, because I know you have had a lot of hearings on Universal Credit in the past, the principle is that as much as possible Universal Credit should mimic the world of work, that people should be able to see clearly what the impact of their work behaviour is and be able to take responsibility as much as possible for their own budgeting and financial future. Having a single, clear payment into one account within a family unit or within any household allows people to see that very clearly and to make those budgeting and financial decisions in a transparent and adult way.

Q532 **Alex Burghart:** In the world of work it is very common these days for two people in the household to be earning, so what is the rationale for all of the benefits going into one account?

Kit Malthouse: That is certainly true, and of course in the legacy benefit system benefits are, other than by exception, paid into one nominated account, but what we do know from research is that there is a very tiny proportion of couples who keep their finances completely separate, about 7% or something like that, 2% of married couples that keep their finances separate.

Q533 **Alex Burghart:** Married at 2%, cohabiting at 7%?

Kit Malthouse: Yes, that keep it separate, so the vast bulk of people do, in effect, pool their finances and make joint financial decisions about their bills and obligations, which is as you would expect.

Q534 **Alex Burghart:** Thank you. This is something that will come out in subsequent questions, but last week we had a number of concerns raised with us about the possible effect of single payments on households in which one partner was being abused. The Committee is interested in whether payments should be split and whether they could be split. Neil, if I could move on to asking you whether the system could handle a significant volume of split payments. Is there a technical reason why this could not be done?

Neil Couling: We have not yet automated the split payment process in the system. They are all manually prepared at the moment, so if you were to switch right now to a set of manual payments you would effectively be negating all of the automation that we have put into the payment system. It is a big job to do.

Q535 **Alex Burghart:** Has the Department considered separate online accounts for couples making joint claims?

Neil Couling: The accounts are linked for reasons of keeping the conditionality on both partners, where that applies, in step, but there are bits of the joint account that neither partner can see. Predominantly that is around the health conditions, so you cannot see what your partner is putting about their health conditions, for example.

Kit Malthouse: I wanted to add something about the split payments issue, because I have reviewed the evidence that you have had before. As somebody who has done quite a lot of work on domestic violence in the past when I had my policing role in London it strikes me that the discussion around this issue is slightly putting the cart before the horse, in that the most important thing, as far as I can see, and obviously this is a very important area, is that we are as well equipped as we can be to both identify and then direct those people who are victims of domestic or other kinds of abuse to the right kind of support before we decide jointly with them what the solution is or what assistance can be given. It strikes me that that is the most important thing. When you look at some of the cases that we have had through the Department that is broadly what happens.

If somebody comes to us and we are able to detect that they have been subject to this kind of abuse there are lots of other things, in many ways, that are more important that need to be done before you even consider a split payment that are really vital to their well-being that we get in place first. While I understand that split payments have become a bit of a political symbol, in terms of the great scheme of things—of assisting those people and supporting them—it is a bit of a sideshow, to be perfectly honest. Much more important is that we are correctly skilled and that we have the right links into the support mechanisms to make sure that we are either ameliorating the abuse or we are eliminating it altogether.

Q536 **Chair:** We are going to come back to unpick and probe you on that answer, but, Neil, the question that Alex asked you was whether you could within the systems cope with a large number of split payments. Your reply was, "At the moment we do it manually". Is there any intention of not doing it manually and therefore for the computer to be able to deal with a significant number of split payments?

Neil Couling: As you know we are developing the system in a so-called "agile" way, which in layman's language means we are building it in stages and we have prioritised the stuff that has the high volumes attached to it to automate first. As split payments have very low volumes we have not prioritised that for automation and it is not in the plan to do that anytime soon. That might change with any proposals that might emanate from Scotland or Northern Ireland and then we would have to have a discussion with both Governments about the timing and fitting that into the work schedule. Right now if we had lots of split payments in the system it would undermine something we call "autopay" and "autocalc" that allows us to run the operation efficiently.

Q537 **Chair:** In theory at the end of your building of the system you would be able to do so automatically without any hiccup irrespective of the numbers of split payments you have to make?

Neil Couling: If I could get a clear policy position on it. The policy around this is quite tricky as well. It is one of the reasons probably the Scottish Government is yet to come forward with proposals, because there are a number of questions you would have to answer. We have split payments in the system not really for domestic violence cases. They are there for families who struggle, particularly the ones that I used to use when I had a real job and paid out benefits that were about people with, say, alcohol abuse and the claimant would take all the money and spend it on alcohol and there would be nothing left for the family. A 50:50 split would be quite rare. You would do 80:20 or 90:10. You would try and give a little bit of pocket money to the drinker and then get the lion's share of the money going to the main carer.

Q538 **Alex Burghart:** Neil, at the moment when splits are made they are made on a simple proportional basis. They are not split as the housing component will go to one member of the family, the child component might go to a different member of the family?

Neil Couling: There are no components in Universal Credit. There are components in the calculation of gross entitlement, but when the money is settled there is just a chunk of money. There are no rules that say the child element erodes before the housing payment or before the personal allowance. There is no way of splitting it like that. You would need to decide a policy and, if you wanted a policy, the only policy I think you could come up with is a 50:50 split unless you could somehow decide on a basis of caring how you split money. That is not easy to do. This is why it is a really complex area of policy before you even start to work out how you might deliver it.

Q539 **Heidi Allen:** It is perfectly doable. If the chunks go in individually they can come out individually.

Kit Malthouse: It is also worth reflecting perhaps on the fact that Universal Credit is a variable benefit. It depends on how many hours you have worked, and if one of the individuals in the couple is working more or works more then what should the split then be? You would have to require an ongoing split review, I guess, to say, "Well, are we happy as a couple that this is being split in the way it should be?" and is that a monthly thing, a quarterly thing, an annual thing? Is that constant requirement for, effectively, budgetary negotiation within a couple likely to create more conflict? When you look at general indicators of conflict in couples out in society it is more often than not about finances, so creating a situation where there has to be more of a constant budgetary discussion might be more difficult.

Q540 **Ruth George:** Minister, you said early on that legacy benefits are paid to one nominated account, which is the case, but it is that different benefits are paid to different nominated accounts. The child element of tax credits, the child tax credit, goes to the main carer and with working tax credit then the couple can opt who it goes to. Working tax credit is reduced by the amount of earnings that somebody makes and that is reduced before the child element, so it is already happening within the legacy system that people are having different elements go to different places.

For me the key is that the child payments, which if you have two children it is about £500 a month, same amount as under Universal Credit the over-25 couple entitlement, often a similar amount of housing benefit, so under legacy payments then you get £500 going for rent, £500 for the main carer and then maybe £500 to whoever is making the main claim, but under Universal Credit all that £1,500 in a month is going to one person. That is where the abuse can arise, because as a main carer you have to go to that person for every single payment that you need for your children. I have never yet met a man who knows exactly how much it costs to raise a child on a day-to-day basis.

Kit Malthouse: I do. I know how much it costs to raise my children.

Ruth George: I am sorry. The amount that children cost is huge.

Chair: We are questioning the Minister, not each other.

Ruth George: I was not making accusations to the Minister. I was saying that I have not yet met a man.

Kit Malthouse: Obviously in both the legacy and the Universal Credit system if one of the members of the couple has reason to believe that a particular bill is unlikely to be paid for particular reasons then they can request the split payment. We do that with an alternative payment to landlords and there can be other provisions that can be made within the system. We can tailor it as in the legacy system, as it happens.

There is some early research, interestingly, back from 2016 in the early days of Universal Credit that shows that more Universal Credit payments are made into women's accounts than into men's, that the recipient is more often than not the woman rather than the man.

Ruth George: Yes, they tend to be the main budgeter.

Kit Malthouse: That is right, and so I think we should not necessarily characterise the system as the payment is all going off to a feckless man. It is much more nuanced and complex than that.

The key issue as I said before for me with the system is not necessarily split payments, because I do not think any of us believe that a split payment is somehow going to solve any kind of domestic violence or abuse. Certainly I think that in some of the evidence you have heard someone said that in certain circumstances it may exacerbate it, because it creates the opportunity for somebody to try to reclaim cash under duress from somebody who has received it. We do need to make sure that it does not make things worse.

Q541 **Ruth George:** Can I just say that it was the request for a split payment that was identified as making things worse, not the fact of the split payment itself? The fact that a woman receives, and it is usually women, money into her own name in her own account and therefore has the ability to leave an abusive relationship is incredibly important in making sure that that relationship is not perpetuated beyond what she is able to bear.

Kit Malthouse: I completely agree with that, but the issue I am trying to put before you is that I think the issue of a split payment comes further down the track. The thing of primary importance is that first of all we are able to sensitively identify that somebody is being a victim of abuse and then we are able to get them the support and the help that is needed to try to get that abuse to stop, effectively. That might mean for them to flee or it might mean for them to have the support and confidence to be able to deal with it within the relationship. Whichever way, we would like to help them.

Q542 **Chair:** We have a fair number of questions on those very points. Did you say that an earlier sample of Universal Credit showed that the payment was going to the female head of the household rather than the male?

Kit Malthouse: Yes, so there was some family research done up to August 2016 on small numbers of joint claims and it did indicate that in 45% of cases of couples it was going to women and only about 38% going to men. On balance it was largely going to women in joint accounts.

Q543 **Chair:** We could have a policy of paying to the female member of the household generally rather than male, unless it is requested otherwise?

Neil Couling: It breaches the Discrimination Act if you did that. You cannot discriminate.

Ruth George: But it could go to the main carer. Because if children are involved the main carer will be getting the benefit.

Q544 **Chair:** If it is going to the male—as we understood, it is mainly going to the male—how is that not offending against the Discrimination Act?

Neil Couling: It is not mainly going to the male. It is mainly going to the female or into a joint account. Males are getting under 40% of payments direct to them. It is going to women or into joint accounts. It is not discriminatory because the law does not say it must go to this sex or that sex. We are allowing them to choose.

Q545 **Neil Coyle:** The Minister just said it was a small sample. Do you have the numbers there?

Kit Malthouse: I do not have the sample number. I can let you have it but if it was August 2016 it would be a pretty small number.

Q546 **Chair:** Will you update that?

Kit Malthouse: Yes, we can let you have that.

Q547 **Ruth George:** Would you be able to divide whether it is couples with children or without?

Neil Couling: We will have to have a look at that.

Q548 **Chris Stephens:** Minister, you said that you have read some of the evidence last week and there was a real concern about training and whether people thought that the work coaches at the Jobcentre are adequately trained. Can you tell us what training do work coaches receive on helping survivors disclose domestic abuse?

Kit Malthouse: It is not just work coaches. All staff receive training in dealing with a number of different vulnerabilities and their ability to detect it. Hopefully you will have seen the video we sent across that has been circulated widely among staff to help them identify, and there is ongoing training around different vulnerabilities that we look at. We take particular vulnerabilities and we do a rollout of training around that, and then move on to the next one. We just recently had, for instance, a call-in on domestic violence that had something like 250 or 300 lines calling in, which will be more than that number of people, to try to inform themselves.

We also generally in Jobcentre Pluses have at least one nominated person who I guess in essence knows where and has contact with refuge accommodation. Not everyone needs to know or should know where the refuge is for obvious reasons, but at least one person, who is then able to assist and direct in those crisis circumstances. There is general training for all staff about identifying these vulnerabilities.

Q549 **Chair:** Is this specialist common to every Jobcentre?

Neil Couling: It is not every Jobcentre, because not every Jobcentre has a refuge in their catchment area but typically speaking over a number of years now—it is not something associated with Universal Credit—we have had links between ourselves and refuges and we keep it tight for obvious reasons because we do not want the general location of these refuges to be widely known.

Q550 **Chris Stephens:** Just to be clear, I thought what the Minister said was that every Jobcentre had one nominated person. Are you suggesting that there is not?

Neil Couling: If somebody is nominated to work with their local refuge. That is the question I was trying to answer. To the extent that we try to train everybody up to identify domestic abuse because that may present in the course of a discussion with that individual about something else. Everybody is trained and there are specific links where there is a refuge in that Jobcentre's locality.

Q551 **Chris Stephens:** What kind of warning signs would a staff member be expected to look out for?

Neil Couling: Things like erratic behaviour. Some of the cases we see there could be substance abuse issues attached to the kind of abuse that is going on. Wearing high-necked clothing and long-sleeved clothing in hot weather to cover up signs of physical abuse. That the person always comes accompanied by that individual and somebody might be answering questions for them in interviews. There is a long list and I have probably forgotten some of them now, but it is all in the training.

Q552 **Chris Stephens:** There was some powerful evidence presented to us in terms of financial abuse, so how would someone at a Jobcentre be able to identify a warning sign of financial abuse?

Neil Couling: In and around the discussions they might have around how people are managing. One of the questions we encourage our staff to ask is, "Are you okay?" and that is an attempt to open up discussions rather than particularly follow down a line here. Let us not overestimate our role in this. We want to recognise and respond to things, but in many cases we will not be the first port of call for somebody who is enduring domestic abuse here and it will be us responding to that, but we will try to identify this in the course of our day-to-day work.

Q553 **Chris Stephens:** A final question from me, someone who is suffering any kind of abuse as a woman may feel more comfortable discussing those sorts of issues with another woman. If they are initially allocated a male work coach or a male person of the Jobcentre staff, could they request that they speak to a female member of staff?

Neil Couling: Yes, they can and as our workforce is predominantly female, within the Department we are about two-thirds female to one-third male, there is a good chance in terms of work coach cadre there will be a woman for them to talk to.

Q554 **Jack Brereton:** Of course as we have heard, survivors have to disclose their abuse to work coaches. Would you think that in all circumstances women, or if it is men who have been abused as well, they would have the confidence or feel secure enough to be able to disclose that abuse to those work coaches?

Kit Malthouse: Obviously not, no. One of the problems with domestic violence across the board, and that includes with the police, is women in particular but men also having the confidence to disclose. Also, frankly, making a calculation about what is going to happen. One of the issues that the police have, for instance, with domestic violence is that a lot of victims say that they do not want their partner, the perpetrator, to go to prison. They just want them to stop, because they are sometimes the main breadwinner, they are obviously part of the house, there is an ongoing relationship there. So very often domestic violence prosecutions fail because of the lack of a complainant, even though the police know it is going to happen. Sometimes they are able, in severe cases, to prosecute without a victim, have a victimless prosecution, so it is obvious that there is a resistance to declaring.

More often than not—although obviously in a crisis situation people do come and do declare—the fact that there is abuse going on is elucidated as part of a wider conversation. As Neil said, it is looking for clues that will allow the work coach to delve further and win the confidence of that individual to the extent that they are able to admit what is happening and we can then direct them towards a more specialist service. For all the training in the world that we can give our front of house, and indeed all staff, they are never going to be specialists. We know that women in particular have a lot of confidence in the domestic violence voluntary and charitable organisations and support mechanisms, so the quicker we can get them there to get the support they need the better. Rarely will people, unless there is a crisis, march into a Jobcentre and say, "I am a victim of domestic violence". It would tend to come out more as part of the narrative.

Q555 **Jack Brereton:** As you suggest it is not necessarily the environment to disclose that, so what sorts of mechanism or processes are in place for a representative organisation? You have mentioned the charitable sector. Would there be or is there a mechanism in place for those organisations, say a refuge, to be able to disclose on behalf of a victim?

Kit Malthouse: Yes. Once the work coach is in a trusting relationship with the individual then there can be conversations between the work coach, the support organisation and the individual about what is required and what the solution for them might be. We have lots of examples of people who have come in to a Jobcentre, been directed to support and then the group have worked together to solve issues like housing, child care, and to sort out social services support and all that kind of stuff. One of the great things about the reform and Universal Credit generally is the collaborative nature of the relationship between the individual and the work coach.

I assume you have all been to visit a Jobcentre Plus and will have spoken to work coaches. I have been struck, in my short time at the Department, that every single person, and some of these are people who have worked for the Department for 20 or 30 years, says that the change has been revolutionary and that finally this is a joint enterprise between them. You do find, as you will have seen on that video, this sense of trust building up that allows that relationship to happen.

Q556 **Jack Brereton:** I want to now come back to this point of having a single point of contact for those representative organisations to be able to have that link into Jobcentres. We received evidence last week from organisations of that nature who are suggesting that there is not that single point of contact. You have just suggested that there are those links in Jobcentres. Could you go into a bit more detail to suggest that is the case across all Jobcentres?

Kit Malthouse: It is a very good challenge, and you are quite right, Mr Stephens, that I slightly misspoke that we have a link where there is a refuge nearby rather than an individual. I do think it will probably be a good idea for us to review whether there are specific nominated people or a specific nominated person in each Jobcentre whose job it is to develop those links. We do have a general outreach function to build links with all different kinds of organisations in the area, and that might be one of the ones that is most important.

The key thing really is that the work coach is able to build that kind of link that the customer becomes the hub of the wheel and the work coach is one of those trusted partners that can help be part of the support mechanism for that person into the future.

Q557 **Neil Coyle:** I take the point about linking into other agencies and other agencies and charities in particular being better placed to provide some of the support, but how good is the Department's data on the number of referrals to other agencies that have been made? Do you distinguish and is there logging of the number of people who have declared that they are experiencing domestic violence as opposed to those who are facilitated to disclose after their trusted work coach relationship brings that forward? Can you tell us how many work coaches have undergone the Department's training on this specifically?

Kit Malthouse: On the data issue, I think it is fair to say this has been an issue of some discussion within the Department about the data, because we as politicians yearn for an exact number for a kind of check box on the system that would tell you we have 1,852 people who are subject to domestic violence. The Universal Credit system does not work like that, in that it has a much more narrative discussion about a particular individual and this issue is complicated by the fact that, in some of the parts of the system that are available for review by other people, we have to be quite careful about what is put on there. For instance, in somebody's journal that may be reviewed by their partner—

Q558 **Neil Coyle:** Is the answer that you do not log this?

Kit Malthouse: What is under development at the moment—Neil and I have had discussions about this—is our ability to interrogate the system in an intelligent way to at least give an indication of the levels or at least the trends of domestic violence. It would be an interrogation of the notes that are in a work coach's journal about whether they are using specific words or describing specific circumstances that might give us an indication, rather than a tick box that says, "This person is subject to abuse or domestic violence". When I talk to work coaches on the frontline, what they say is, "Please do not go back to a tick-box approach" because rarely do boxes get unticked. The great thing about Universal Credit is it gives a real-time picture of how an individual is living and therefore makes sure that our response is correct for that. The point is we do not have exact numbers, no.

Q559 **Neil Coyle:** The number of work coaches trained?

Kit Malthouse: The numbers trained? I think everybody has been through the training.

Neil Couling: I think everybody has been trained. When we embark on a vulnerable category, we tend to train the entire caseload we have working on Universal Credit and then as new people enter, they receive that as part of their training coming on. Then we try to refresh that, so we pick up an issue to focus on.

Q560 **Heidi Allen:** Going back a few steps, we were talking about that single point of contact in a Jobcentre. Certainly for my refuge in Cambridge, they had no named contact at all at the local Jobcentre, which made life absolute hell. It is just to encourage you, for two reasons: first, so that the individual, as they are building with the relationship with the work coach, might get brave about disclosing, so that person must stay the same, but also for refuges, when women come to them, they will have come from anywhere else in the country. That is the whole point, isn't it, they are coming from a different area? To have one key person that that refuge can call to get those women on the system fast is absolutely vital. It transforms the future chances of those women getting back into normal life, so I would encourage you to look at making sure there is that direct contact.

Kit Malthouse: We will definitely go away and review that. I was very struck by the evidence that you had from a survivor, who stressed the importance of having the same person in the Jobcentre dealing with her on a regular basis. Of course that is what we aspire to try to get to in Universal Credit. I thought her testimony about that in particular was very powerful, but in terms of the contacts with the other groups, the support groups, then we will definitely review whether we should have a nominated person in each Jobcentre.

Neil Couling: Briefly, we might be going better than that as well, Ms Allen, because we are rolling out full case management across the country, so in the service centres we will have telephony that will allow us to route calls from individuals and calls from localities to the teams dealing with those cases. It will not just be the nominated person in a Jobcentre or the work coach, but you will get a personalised service back in the service centres as well. We are not there yet but we are rolling that out at pace now. By the end of the year, that should be in place for the entire country too.

Q561 **Nigel Mills:** You have done your tour of Jobcentres, Minister. They tend to be open plan environments these days, don't they? Obviously a little bit of privacy, but probably not very much. What is the guidance that you give to work coaches if the conversation moves to a sensitive issue like this for how they should handle the claimant?

Kit Malthouse: The guidance is I guess the commonsense that you would expect, that the moment they detect there is some resistance or somebody is discussing something very personal, they are given an option to go to a private room and discuss it there and quite often that is the case. Certainly the Jobcentres that I have been to—and I have to confess, I have only been to a small number so far, aspirations to get to many more—I am often whisked off into a private room and grilled for a bit before I am let loose on the customers. But, yes, obviously there are facilities in every Jobcentre for private conversations.

Q562 **Nigel Mills:** Every Jobcentre has that?

Kit Malthouse: Yes.

Q563 **Nigel Mills:** You said you guessed it was in the guidance to take them off to a private room. Is that a—

Kit Malthouse: No. As I said, it is—as you would expect—common sense. It is absolutely in the guidance, if it is requested or seems appropriate, that they should go off to a private room.

Q564 **Nigel Mills:** There is an exemption, isn't there, from work-related requirements if you disclose domestic abuse? Does that disrupt the relationship with the work coach because you do not need to go to the Jobcentre for three months now or one month? Would you expect contact to be maintained in that period?

Kit Malthouse: Yes, I absolutely would.

Neil Couling: Yes. That just means there is no work search requirement. We may be offering assistance because now we have a much bigger role in housing, so we may be trying to sort out a housing situation, perhaps with a refuge as well, for when the survivor comes out of the refuge and into mainstream housing. It is intended to try to take the pressure off individuals and allow them to come to terms with a new situation, the fact that they have fled this violent relationship, and help them with that. The work coach will play a part. It may be organising that with the service centre to make sure the payments all arrive on time; it may be liaising with the housing association or something like that. The work coach role is not just about jobs.

Q565 **Jack Brereton:** In terms of where in records it is indicating that somebody has been subject to domestic violence—I recognise that you have suggested that it is not a tick box, that you cannot move to that sort of system and maybe would not want to—say if somebody who had been recognised as subject to domestic violence did not turn up to an appointment, would that allow for concerns to be raised, for those issues to be escalated?

Neil Couling: Many of you will be on Twitter and you know how you can pin a tweet in Twitter as the first thing you see when you go into anybody's Twitter account. What we want the work coaches to be able to do is to have a pinned note about certain vulnerable characteristics. That will do two things. First, it will allow the work coach to see there is an issue with this claimant and they may need different levels of support as a consequence.

It will also, to Mr Coyle's point, allow us to use language software to pick up the quantity of people who have a certain condition or not. That is why we want to do it that way around. That will not be visible to the claimants or their partner in terms of accessing via the journal. At this time, the risk, if we were to put it in the journal and try to search the journals, it could endanger individuals. We do not want to do that.

Q566 **Jack Brereton:** In terms of contacting directly and being able to speak to their work coach, as you saw from the evidence, quite a lot of concern was raised about the fact that they would always ring up and speak to somebody totally different every single time. How quickly can you introduce that system that will allow people to speak directly to the single points of contact?

Neil Couling: As I was adding to Ms Allen's question, that will be completely rolled out by the end of December this year. We are currently partway through doing that. For example, a service centre like Canterbury is fully set up on this arrangement and we are putting it into our other service centres. As you know, we test and learn, so we tested it small, tested it big in one service centre and we are now in the course of rolling it out across the country. By the end of the year, you should be able to route through to the team administering your claim as well as go and see your work coach in the Jobcentre.

Q567 **Ruth George:** Earlier you were talking about split payments and the fact that bills could be paid directly if necessary, which is fine, but generally a relationship in budgeting is not about big bills, it is about everyday costs, particularly when children are involved in that. Do you understand—I know you have considerable experience of domestically violent relationships, Minister, which is really helpful—that in any relationship, for the main carer of a child to have to ask their partner every time they need to buy a box of nappies, pay school dinner money, children going on a school trip or buying new school shoes that having to go and ask for that money makes a relationship unequal, where it might not be before?

Kit Malthouse: Yes, I could see why in exceptional circumstances or in difficult or abusive relationships that would be the case. I guess the thing is though is that if you are in a relationship where those things are essentially abusive moments, whether you should be soldiering on alone or receiving some kind of support, I would question it. I would hope that you were able to get some kind of support and we were able to help you at least to have a better-functioning relationship or avoid the abuse altogether. That is why it would be key as part of—and do not forget, everybody under Universal Credit does get an individual interview—the discussion, that you were able to tease out some of those issues so that a work coach might be asking about some of those expenditures and how it is paid for and how the family budgets its money and divides the money that is coming in. Out of that may come some of that information.

Q568 **Ruth George:** But Universal Credit will change how families budget in many situations. You have said that in 38% of couples' claims the money goes directly to the man, all the money, and that includes what at the moment is child tax credit, around £27 a week per child, which is a good amount that goes towards dinner money and nappies and clothes and things. When Universal Credit comes in, that money will not be going direct to many women anymore, it will start to go to men. Even where there is not a difficulty in a relationship, do you understand how that changes the power balance within a relationship and can lead towards a relationship becoming abusive, where it might not be before?

Kit Malthouse: I suppose potentially it could, but that assumes that the payments are being made in a particular pattern at the moment. Obviously—

Q569 **Ruth George:** You have said 38% go to men, at the moment all the child tax credit goes to the main carer.

Kit Malthouse: Of Universal Credit, that is right. But in the legacy system, there will obviously be an imbalance in terms of where things are paid and while it may be the case that a child benefit might be paid in the majority to women, I do not know whether working tax credit would be paid in majority to men.

Q570 **Ruth George:** It is child tax credit that I am talking about. Child benefit will go to the main carer; that is already opted for. I believe 97% goes to women. Child tax credit follows child benefit. It is £27 a week and it goes to the main carer. Working tax credit is different, but that is what is eroded first, so that is child tax credit money, about £54 week for a family with two children, which is used to pay dinner money, usually to pay food bills, to pay clothing, schools shoes, school trips.

Kit Malthouse: No, I understand the point.

Ruth George: That will not be going to the main carer in many situations anymore. You said 38%. I think that is a quite high proportion of relationships that a main carer will be having to go to their partner to ask for every little expense.

Kit Malthouse: Look, I think that is a fair point, in a relationship where there is abuse taking place that having the payment go to the abuser might offer a greater opportunity for abuse. That is why we would offer a split payment if the individual wanted it and felt that was the best way to go forward. Whether that is a case for making universal split payments across the board, I am not sure. As I say, I remain open-minded about it, to be honest with you. If the Scots decide to introduce this, if they can work their way through the complexities and introduce it and it works well, then we can certainly have a look at it. We are not closed to the idea.

But for the moment, we do not see any great evidence coming through from our frontline that default split payments will solve or I guess are the kind of silver bullet that seems to be being painted. As I said before, more important from my point of view is that, where we have those kind of relationships where those kind of things are taking place, that we are as skilled as possible at identifying them and then have the right links to be able to move that woman towards the support that she needs so that she can deal with it on an ongoing basis. A split payment may not solve the problem at all. In fact, you could see why it might cause more problems and might create more friction, notwithstanding the fact that those bills may be paid.

Q571 **Ruth George:** A request for a split payment when payments have already started.

Kit Malthouse: But a split payment overall, right from the start. A split payment is a split payment, whether you have it at the start or you request it. Even by default, there could be the opportunity for friction and abuse to take place, because if you are somebody who is predisposed towards some kind of economic abuse or towards abuse generally, the fact that your victim has money and you know they have money gives you the opportunity to try to extort or obtain it by coercion. From my—

Q572 **Chair:** Ruth's is a slightly different point. Given that some Members of Parliament find it quite difficult to understand Universal Credit, we are giving the abuser a knowledge about how the system works, which they probably do not have. Therefore at the initial part of a claim if automatically split payments were made, they probably would not question that, would they?

Kit Malthouse: I do not know. Under the current system, where obviously, as you say, benefits may be paid into different accounts, financial coercion and abuse takes place at the moment. I am not sure necessarily that the situation would change particularly either way. That is why I am, to be honest with you, slightly fixated on this idea that we should be able to detect it and get the right support in place, because that is fundamentally the solution.

Q573 **Ruth George:** You said that you did not have any evidence that single payments are causing a greater degree of financial abuse. What evidence are you looking at when doing that? What systems do you have in place to check for financial abuse under the legacy system and under Universal Credit?

Kit Malthouse: That is a good question, in that you are asking us to prove a negative.

Q574 **Ruth George:** You said that you did not have any evidence that single payments proved abuse. We have received a lot of evidence from other agencies that single payments are likely to lead to greater financial abuse within relationships.

Kit Malthouse: I think what we are saying is we certainly have not seen any evidence coming through from the frontline—

Q575 **Ruth George:** Have you looked for it?

Kit Malthouse: —the situation is changing particularly for the worse as Universal Credit rolls out, I guess is a more precise answer to your question. What we can say, hopefully, is that given the nature of Universal Credit and this one-to-one relationship, we should over time see an improvement, because we are better able to detect and then deal with the problem. I just think single payments are being positioned as a kind of silver bullet and they are absolutely not.

Q576 **Neil Coyle:** The Minister has said there is no data collected on the identification or rooting out of domestic abuse. While we take the point that the Department for Work and Pensions is not going to end all domestic violence, the point that we are trying to make is that the Department does have an onus to not facilitate the environment in which financial control can occur.

Kit Malthouse: No, that is absolutely right. One of the things I said at the start is that our job is to make sure that the system is not making things worse. Albeit that the numbers at the moment are quite small, only about 10% of Universal Credit claimants are couples, and the indicators are that in more of those couples the payment is being made to the woman than it is being made to the man. You then have to divide that number down by the likelihood of a couple being abusive, which is again quite small. We have not seen any pattern coming through or any alarm bells ringing in the system that it is getting worse.

Some of the evidence—admittedly anecdotal, because we are not able yet to derive any statistical evidence from the system, given the size of it—the anecdotal evidence is that the greater capacity of the job work coaches to engage with the individual and provide support is likely to lead to a much better outcome than under the legacy system, because we are now able to look for it and do something about it in a way we were not necessarily able in the past.

Q577 **Chris Stephens:** Minister, you may have misspoken, so I just want to clarify what you said. You appeared to suggest that the Department is waiting for the Scottish Parliament to take a decision on split payments, then your Department would review how that is working in Scotland before your Department will make a decision on that. Is that what you said?

Kit Malthouse: No. Well, I guess kind of. No, what I was saying, obviously—

Chris Stephens: That is how it came across.

Kit Malthouse: No, I understand. The Scottish Parliament and the SNP obviously have made a big thing about split payments. We are working with them on the basis that they may want to introduce it. As Neil said, we suspect they are wrestling with some of the complexities of it that we mentioned earlier, but if they do introduce it and then evidence is produced to show that it is having a beneficial effect, then why wouldn't we look at it and see if we could adopt it as well, if it is? At the moment we cannot see that it necessarily will, but if we are proven wrong, then surely we have a duty to change our minds and do something about it. I am just saying that we remain open-minded. If they want to try, then fine. I cannot myself, given what I know about domestic violence and the complex nature of it, see that having a split payment is—

Q578 **Chris Stephens:** It is not just domestic violence though, it is?

Kit Malthouse: No.

Chris Stephens: Abuse has many forms: financial abuse.

Kit Malthouse: Yes, exactly.

Q579 **Chris Stephens:** There was real evidence presented to us last week in relation to financial abuse and what that means and what that could lead to, so it is not just about domestic violence, Minister.

Kit Malthouse: No, I understand that, but you also maybe have to look at the situation in reverse. If we had a situation of automatic split payments, you would have to have an opt-out mechanism for people who might have a joint account or who say, "I do not want an automatic split payment because my partner is addicted to fixed-odd betting terminals" or has some kind of alcohol addiction or whatever. Then we would have to decide for those people opting out whether the decision was really a joint decision or whether one party was being coerced into an opt-out and how we would detect what that opt-out is. Then if we detected that it was because of abuse, whether by denying that opt-out, we would cause more abuse.

The point I am trying to make is this is a much more complex issue than simply deciding to have split payments. Domestic violence and abuse of all sorts runs throughout all levels of our society and the solution to it will be multi-layered. Maybe you think I am wrong but I truly believe that the split payments issue is very much a side issue compared to the overall assault that we need to make on this growing societal problem.

Having spent a lot of time in the past, as I say, on general violence against women and girls' policy across the capital, it is music to my ears that the Government is now producing a Domestic Violence Bill, which is going to be a huge effort across abuse generally, that we are looking at general abuse across society, whether it is online or elsewhere. This is a massive step forward, and in that environment split payments is pretty much a sideshow compared to our ability now to get under the skin of people's relationships, to understand how they are living and really appreciate the kind of abuse to which they are subjected and then tailor the support and the assistance that is required exactly to what they need and get them out of there, if we need to, or at least try to make the abuse stop.

Chair: Kit, we are going to come back to that last question about the philosophy of split payments, but we might, as a Committee, write to the Scottish Government, Chris, and ask whether they will undertake this.

Q580 **Nigel Mills:** If the Scottish Government do decide they want to do default split payments, how will you do that system-wide? Would that be manual for all of them or will you have to bring forward automation of that?

Neil Couling: Ideally we would like to automate everything in the system, because any clerical system costs you to run, is more likely to get error in it and more likely to annoy Parliament when I can't tell them what is going on, because the easiest way to get data is off an automated system. I would look to automate it but, as the Minister was just setting out, this is a very complex area. I think some of your questions at the last hearing, Mr Mills, were honing in on that.

There are not simple, easy solutions to doing this and there is a risk that for the most vulnerable, splitting payments undermines their situation rather than enhances it, because they are in the system now, this very small group of people, who have specific needs. I would want to be certain, if I was designing the policy in Scotland or indeed in the rest of the United Kingdom, that in the dash for the split payment for everybody, we did not undermine the situation of those very vulnerable people.

Q581 **Nigel Mills:** Back to the system, on the current timetable, when will the automation be in place?

Neil Couling: After 2020. The number of people I suspect who are getting split payments is very small, it will not ever be large. I administered benefits on the frontline for four years and I did two in my entire career. Most people turn them down because they think it is going to exacerbate the situation in their relationship rather than help them. I think the numbers involved will be very small, hence it is at the end of the queue for any automation.

Q582 **Nigel Mills:** When you say after 2020, is that 2021 or is that 2025?

Neil Couling: I am hedging my bets a bit, because I would like to know what the Government's policy after leaving the European Union is and what the impact of that is on Universal Credit. I have planned across this period and I have planned up to 2020, but I have not planned beyond, because I have an eye to what might come in potentially before but also potentially afterwards as well, so I have not planned that far out. But if it is a small number of people affected with a small gain, it will be at the end of the priority list, roughly speaking.

Chair: It does come back, doesn't it, about the Scottish Government, which is rather important?

Ruth George: Those of us who have been working on Universal Credit for a long time appreciate the complexities of the system that has come in and the problems there might be with a different payment system. Do you agree, notwithstanding the difficulties inherent with the DWP's computer systems, that the difficulties for a woman who is experiencing abuse, who cannot even get together the money for a taxi in order to flee that relationship, makes her position worse and more dependent on her abuser if she knows there is no physical way she can escape?

Kit Malthouse: Look, I completely admit and agree with you that economic circumstances are often used to abuse women and to trap them in particular circumstances—that is absolutely right. I have seen it again and again and again. The issue is what we can do to help and whether automatically splitting a payment will change that. Don't forget as well the vast majority of women are now in employment, we have women up at 72%-odd employment, and while there is still a significant amount that are not, if there are women who are trapped in those circumstances who cannot access the money to flee and should be fleeing, then I would hope that even in a split payment environment that we would be able to identify that and assist that woman to get out of that relationship as fast as possible. The split payment—

Q583 **Ruth George:** Often women don't identify themselves was the evidence that we heard last week—

Kit Malthouse: That is right, but that is—

Ruth George: —let alone when it happens in a split second.

Kit Malthouse: Yes. As I said, this is the issue that everybody has, including the police, that it is very difficult to identify where a victim does not wish to or is nervous about doing so. That is why we have to develop our skills, along with other organisations, in helping to identify it. Having even a split payment by default I do not think would solve the abuse in that relationship, albeit that I guess in some circumstances it might allow a woman to accumulate the funds to flee, but she has to flee to somewhere, to a refuge, and she has to flee to assistance and support. Hopefully there needs to be a crime report so that the perpetrator can be dealt with through the criminal justice system. It is much more complicated, I guess, than just the economic side of it.

Q584 **Ruth George:** It is, but we heard last week that some women who had fled from very abusive relationships—finally plucked up the ability to do so—were being refused refuge accommodation because they could not get benefits within their own name and assured to them at that time and that they were therefore having to go back to abusive relationships. Is that something that you will commit to the Department looking to make sure does not happen again?

Kit Malthouse: Yes. I read that evidence and I was surprised to see that, because obviously there are particular rules about emergency accommodation and housing benefit, that you are able to have double claims for housing benefit and Universal Credit housing cost if you are in a refuge or in some kind of sheltered or emergency accommodation. I was quite surprised to read that.

Q585 **Ruth George:** But this is before they get there, so a decision needs to be made beforehand, before a refuge will be prepared to take someone.

Kit Malthouse: It is true, but reading some of the evidence, it seemed to me some of the cases were quite complex, because there was a particular woman who, from memory now, was in work and was in a refuge and she was therefore concerned about the status of her benefits. These are individual real people, right, so if we could get access to them and their cases, we would be more than happy to review them and make sure that they are getting the right entitlement and being treated correctly. But I do not think any woman who is fleeing—or anybody who is fleeing—abuse should have to think about those issues. They should be accommodated in a refuge of some kind and then things should be sorted out afterwards. Certainly the Prime Minister has made a significant personal political capital investment in making sure that the refuge community in particular understands that they have enormous political support.

Q586 **Chair:** Before Neil comes in, could we ask for an undertaking the Department will write to every refuge and the letter would list what you have just said, that there should be the right to benefits, even though there may be complications?

Kit Malthouse: Obviously the funding of refuges is under discussion at the moment. Given that housing benefit is disappearing over the next few years, there is a consultation going on. We are in engagement mode, if you like, with the refuge community, both me and my counterpart in MHCLG. We have just had a roundtable with some of the larger refuge providers and representatives of the group to talk to them about what the future funding model should look like going forward, because we want to make sure that they are secure in their funding, as well as able to provide the right kind of geographic coverage. We are hoping to produce some kind of response to that before the recess, but there are ongoing discussions at the moment.

Q587 **Chair:** But Ruth's point was that we want to move to a situation, if somebody presents themselves at a refuge, they are taken in and will not be refused because there are doubts about benefit.

Kit Malthouse: Yes. That would be our aspiration too.

Q588 **Neil Coyle:** You mentioned that the numbers of people accessing split payments will always be very small, but is this because the Universal Credit guidance says that they can only be used in very exceptional circumstances? Minister, perhaps you could say something more—I know you have touched on this already—about the numbers accessing split payments and the characteristics and whether you believe the eligibility could be widened.

Neil Couling: My assumption around the numbers will always be small is driven from my experience in the legacy system. In the legacy system we have the ability to split payments: we have them in supplementary benefit, we have them income support, jobseeker's allowance, employment support allowance and the like. The numbers there are very small, so I am expecting that to continue in Universal Credit, assuming there is not a policy change to routinely split the payments. That was what was behind that.

Q589 **Neil Coyle:** But there is also a requirement that it is only provided in very exceptional circumstances in the guidance, which I assume you contributed to.

Neil Couling: Yes, because it is not a see situation, split payment, go to 50:50, it is to take a decision to look—many of the points Ms George has been making—at that family circumstance and is the money just going into a betting terminal or down the pub or is it going to support the children in that family and maintain the household, maintain the rent and so forth? That is why I say a 50:50 general split will be a problem for those small number of cases who need a 90:10 split or an 80:20 split. That is the point I was trying to make.

Kit Malthouse: My general view is in an abusive relationship, where a customer has declared that there is abuse and requires a split payment, then they should be given one. As Neil says, then there has to be a discussion about what the split is and what the best balance of the split is, but fundamentally, in any abusive situation and particularly in domestic violence, it is very important that the victim feels in control, so allowing the victim to make that decision effectively about having the split payment is key.

Q590 **Neil Coyle:** The Trussell Trust report of this morning shows in the last year almost 500,000 children were reliant on foodbank handouts and the biggest single driver in the last 12 months has been Universal Credit. Some of that will be delays, but also there is the point that Ruth has been getting at as well. If there is any suggestion that the primary carer has lost access to some of that funding and become reliant on a foodbank for their children, should you not urgently review how Universal Credit is being delivered to prevent that happening?

Kit Malthouse: I have not seen the detail of the Trussell Trust stuff yet, but my understanding is there is obviously quite a small sample of Universal Credit, it was something like 0.04% and it is quite self-selecting. Obviously it was done before the recent changes that came through in the budget last year in terms of waiting times and all the rest of it and how the benefit runs. It would be interesting to see what the effect of that is. I will be going away and studying what the evidence is and obviously the whole point about Universal Credit is that we test and learn. If we can learn things from it, then we will.

Q591 **Neil Coyle:** I am hearing slight echoes of when Junior Green and other cases came to bear, the assumption this is anecdotal, when it is much more widespread. I think the Department has more of a duty on this, rather than to sweep it aside.

Kit Malthouse: No, I am not sweeping it aside. I am absolutely not. I am saying I am more than happy to study it and if we can learn things from it, we will. As a Department, we are thinking quite carefully about the foodbank phenomenon and what is behind it and what the drivers of it are. It is our duty to try to understand the growth. For example, I have a foodbank in my constituency and it was established in 2006, well before the crash, at the height of the tax credit rollout, but it was established in Andover, which has relatively high employment rates, and so that raises all sorts of questions. I guess it is not as simple as saying that Universal Credit is behind the rise in foodbank usage. There are lots of other complex reasons, but we have a duty to try to understand them and we will.

Q592 **Heidi Allen:** This is not easy and we all appreciate that we are trying to build a system that is suitable for the majority of households and families and environments. Kit is absolutely right to say that this is not the fix for domestic violence, but—acknowledging that everything we do in Government should not exacerbate or make things worse—if UC is to mirror the world of work as much as possible, I do not know any employers or organisations that pay both employees together in one account, so to say that is like the world of work, it could not be further from the truth.

The thing that really hit me—because I was not convinced over this, I have to be honest, I could see the reasons for one payment, because I believe in Universal Credit, I really do—was one of the final pieces of evidence we heard last week that was like an alarm bell, a wake-up call to me. In this modern world of equality, a woman gets her money lumped in with a fellow's into one account? That just spoke so strongly to me. Everything that our Prime Minister stands up for in terms of equality and women in all aspects of life—and this is not to say the old system did not do it either—UC is there to be better.

With that fundamental principle, doesn't that tell you we should be looking at this as split payments by default? Okay, maybe one payment overall, but at least to go into two separate accounts. Maybe it is only slight, maybe it will only help one woman every year, but the opportunity that this sausage machine can be made a little bit better for the individual circumstance to me seems a policy worth pursuing.

Kit Malthouse: It is a good point, but you are then left with the complexity of the situation. I saw in the evidence that the general view was a 50:50 split, but that would not also reflect perhaps the imbalance in earnings, where you have one person earning—

Q593 **Heidi Allen:** I am not suggesting a 50:50 split. The point is that we do not know, but there are arguments about whether the child element goes to the main carer. There is a debate to be had, I suppose.

Kit Malthouse: No, I understand that. The issue is you would have to have a kind of ongoing negotiation about the split. While you are right that employers do not pay to the individual, where you have one earner in a house and one carer in a house, we do not require employers to split the salary between the two. The notion—

Chair: No, for 100 years people have campaigned that women should have benefits in their own right. As Ruth explained earlier on, obviously with child benefit and with child tax allowances, the Government supported independent payments to women.

Q594 **Heidi Allen:** It is just for everything that you see as modern and ground-breaking, this feels incredibly old-fashioned to me.

Neil Couling: If it helps, being around in 2011 when we were looking at this, we weighed two real factors into our consideration in why we did not split at that point, because this was very actively debated, particularly in the House of Lords, during the passage of the Bill. The two factors were the extent of pooling of resources. We mentioned 2% of married couples, 7% of cohabiting couples do not pool.

Q595 **Heidi Allen:** Those type of relationships can choose to do that afterwards anyway.

Neil Couling: Yes, okay. I was just trying to explain that. The second factor when the great wallet to purse debates were going on, particularly in the 1960s and 1970s—and Frank and I probably remember some of this, though I am a tad younger than you, Frank.

Chair: I hope all of it.

Neil Couling: Yes, but when that was going on, the number of women working was around 50% and there was a 40% gap between men working and women working in terms of employment rates. As of last week, that employment rate gap was down to about 10% and you have over 70% of women working now. Across time, you can see the labour market is converging, you can see couples tending—the vast majority—to pool resources. Given all of the downsides that I have been trying to talk about of splitting and the difficulties of doing that in policy terms, that is why we concluded back in 2011 that we would not split the payments and got a good examination about that through Parliament at the time, for all the reasons that many—Ms George and others—have been questioning us today about. But that was the thinking behind it, that is how we got to where we are now.

Q596 **Chair:** That information you have just given us, Neil, could be used for two payments, that more women are at work, more women are independent, therefore when they are not, it is even more important to have an income in their own right.

Kit Malthouse: We said right at the start we do know that it is a tiny proportion, 2% of married couples, that keep their finances separate; 98% of them are effectively pooling and making common decisions about their expenditure, which I suppose is a relative healthy thing.

Q597 **Heidi Allen:** But this is my point, they still can. In a healthy, functioning relationship, you can still go, "These are our payments. Come on, let's bung them together and pay for the boiler to be replaced" or whatever it might be. I suppose if I were to put myself in the shoes of a healthy relationship, if we are building a system for the majority of regular—as much as possible—relationships, I have this fabulous work coach who is really encouraging me and showing me that I can do more hours or I can earn more, I would want to see my element of this Universal Credit claim. I would want to see my contribution, "Yes, husband/partner, I have done an extra couple of hours and, look, this is the difference it has made". If it is merged into one, you cannot do that.

I think there is more strength to Universal Credit by them being separate so that the individual—Conservatives believe in the power of the individual—can see what difference it is making to my life, and therefore, just by default, we are also helping women who might be in a domestic abuse situation.

Kit Malthouse: Yes. It is a good challenge and we will need to have a think, but as I say, there are—

Q598 **Ruth George:** In that situation, if the Universal Credit payment goes to a man, a woman wants to improve her situation and increase her hours of work, her partner will see his Universal Credit decrease every time she increases her levels of work and her own income and that is something else that is a very destructive driver in a relationship where finances are tight, as they are under Universal Credit.

Chair: Kit, you have kindly said you will look at this.

Kit Malthouse: Yes, but that would happen in the split situation as well. If you have a split payment, whatever the split, if the woman increases her hours then both proportions would reduce, unless, as you say, you only impacted that on one person's Universal Credit, but then that becomes a very complicated calculation, if you like, every month about who gets what. The point about the single payment is that both members of a couple can see the impact of their working on the overall amount rather than one being impacted because the other is working harder and vice versa. Even that would happen in a split payment situation.

Q599 **Heidi Allen:** There is no perfect solution. None of us think that.

Kit Malthouse: No. Perhaps we could come back to you. Perhaps it would be possible to write to you about some of the complexities around split payments that would be—

Q600 **Chair:** Sure. What is really important for us, Kit, is that you are going to go away and look at this and we are going to lobby the Scottish Government about whether they do this as an experiment.

Kit Malthouse: But as I say, as a start, it might be worth us just writing to you about some of the complexities that we think might arise.

Chair: Indeed.

Q601 **Jack Brereton:** I just wanted to ask very briefly about the 2% figure. For example, me and my wife, although we have a joint account, we also have our individual own accounts as well. In terms of the 2%, is the 98% of those people managing all of their finances jointly or is it just a proportion of their finances?

Kit Malthouse: As I said earlier on, this was very early research that was just kind of indicative on a small sample. I am not sure you can necessarily extrapolate from the 2% what the different patterns will be of use.

Neil Couling: It was a study of families and how they managed their finances. It was driven from Universal Credit. This was across the UK economy. Remember, you have people coming into Universal Credit and it is not a static population. They are leaving Universal Credit, so the numbers of people touched by this—

Q602 **Jack Brereton:** The point I am making is that although you are saying 98% would manage their finances jointly, that may be only partly managed jointly. Some of that finance may still remain independently within an individual's account, so to say that only 2% are choosing to manage independently does not quite accurately reflect that all of those people do not have some independent finances available to them.

Neil Couling: They may have independent finances, they could have two streams of income coming in, but what they will do is pool that income and then work out how they pay the bills in that household. That is what the survey looked at, not whether if he paid a bill, that meant they were not pooling resources. It was about how they managed their household finances and that is what the research was about.

Q603 **Neil Coyle:** We have talked a lot about split payments, but women also advocate greater use of managed payments, direct payments to landlords. Can you tell us to what extent those are used? Given that some of that requires access to the landlord portal, what is the delay with extending the rollout of the landlord portal and when it will be extended, including to housing associations?

Neil Couling: About 30% of social housing payments are currently on a managed payment to a landlord. I think we have published data on that. The landlord portal, it is still expanding, so we are still increasing the numbers of landlords who are coming on to the landlord portal, but we have had to defer a big expansion because in order to put in the features required to support the budget changes, I had to defer something called dual factor authentication, which is a wonderful phrase, but basically means I can plug an infinite number of landlords into the system.

I currently have a fixed number of plug-in points and I cannot move to a full expansion to the landlord portal until I have made those changes in about July time. It continues to expand. We have hit everything we said we would do. We are currently covering about 50% of tenancies across the country but we have a large number of smaller social landlords we want to pick up in the next phase and that will have to come after July.

Kit Malthouse: Just on the wider point, it is not just a Universal Credit issue, but we are investing quite heavily in this area in a parental conflict programme, which you might have seen. I do not know if you have had a look at it yet as a Committee, but we have about £30 million that we are investing through local authorities into looking at what kind of innovations we can drive and programmes that we can create that might be scalable to deal with parental conflict generally in the population on the basis that we recognise that this an issue. Obviously that will have an impact in some abusive and violent circumstances.

In particular, you might have seen this announcement yesterday about the £6 million fund to look at the children of alcoholics and what programmes can be put in place to try to solve those kind of conflict issues. We funded £2.5 million of that particular programme. It is an area of focus for me and for the Department generally about how we can help to create or detect/prevent abuse and create better functioning relationships generally across the population.

Chair: Very good. Thank you very much, both of you, for your evidence.