



John Griffiths AC
Cadeirydd
Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau

20 Mai 2020

Annwyl John,

Fel imi addo yn fy llythyr atoch, dyddiedig 13 Ionawr 2020, hoffwn roi gwybod y diweddaraf ichi ynghylch y camau yr ydym wedi'u cymryd ers i'r Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau (ELGC) gyhoeddi ei adroddiad a'i argymhellion, sef *Budd-daliadau yng Nghymru*.

Mae argyfwng pandemig COVID-19 wedi creu cyfnod heriol digyffelyb i bawb, ac mae sicrhau bod cymorth yn cael ei ddarparu ym mha le bynnag yng Nghymru sydd ei angen, ac yn arbennig ar gyfer yr unigolion a'r teuluoedd mwyaf agored i niwed, yn holl bwysig. Yn sgil hynny, mae'n ofynnol i Adran Gwaith a Phensiynau Llywodraeth y DU wneud newidiadau sylweddol a chyflym i'r cymorth ariannol sydd ar gael, a'r ffordd y mae'r cymorth hwnnw'n cael ei ddarparu. Rhaid gwneud hynny fel y gall system nawdd cymdeithasol y DU ddarparu'r 'rwyd ddiogelwch' yn ystod y cyfnod hwn o angen mawr.

Mae Llywodraeth Cymru yn defnyddio ei holl bwerau, ac yn cydweithio â Llywodraeth y DU, i gefnogi pobl Cymru drwy'r cyfnod anodd hwn. Mae swyddogion yn Llywodraeth Cymru yn gweithio ar y cyd â Llywodraeth y DU yn ddi-oed. Ac maent yn gweithio'n benodol â'r rheini yn yr Adran Gwaith a Phensiynau i sicrhau bod pob cam yn cael ei gymryd gan Lywodraeth y DU i leddfu effaith argyfwng pandemig COVID-19, a bod y camau hynny'n cael eu hintegreiddio â'r holl gymorth presennol a newydd sy'n cael ei ddarparu gan Lywodraeth Cymru. Mae'r Adran Gwaith a Phensiynau wedi gallu ymateb, mewn rhai achosion, drwy weinyddu nawdd cymdeithasol mewn modd hyblyg i'r rheini sy'n sâl, yn hunanynysu, neu sy'n anffodus wedi'u dadleoli o'r gwaith.

Mae argyfwng pandemig COVID-19 yn dangos bod angen i'r system nawdd cymdeithasol fod yn ddigon cadarn a hyblyg i ymateb i'r heriau sy'n ein hwynebu, boed yn rhai mawr neu'n rhai bach. Bydd nifer o wersi i'w dysgu o'n hymateb i COVID-19. Mae'n anodd rhagweld y modd y bydd y newidiadau brys sylweddol i leihau effeithiau'r argyfwng – sydd wedi'u gwneud, ac o bosibl y bydd angen parhau i'w gwneud – i system nawdd cymdeithasol Llywodraeth y DU yn newid y rhwyd ddiogelwch hon yn barhaol yn ystod y cam adfer, a'r cyfnod ôl-adfer.

Yng nghyd-destun y cyfnod ansicr hwn, nid nawr yw'r amser gorau, o ran yr adnoddau a'r dystiolaeth sydd ar gael, i ystyried newidiadau tymor hir i nawdd cymdeithasol.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Felly, byddaf yn ailystyried y mater pwysig hwn eto, pan fyddwn wedi gallu ystyried yn llawn unrhyw newidiadau sydd wedi'u gwneud i system nawdd cymdeithasol y DU. Bydd angen ystyried y modd y mae system nawdd cymdeithasol y DU wedi gallu cyflawni'r heriau yng Nghymru yn ystod yr argyfwng byd-eang hwn. Yn ogystal, bydd angen inni fod wedi gallu cael y cyfle i adolygu unrhyw dystiolaeth ar y modd y mae modelau gwahanol ar gyfer trefniadau nawdd cymdeithasol sydd wedi'u datganoli mewn cenhedloedd datganoledig eraill wedi gallu wynebu heriau'r argyfwng hwn. Rhaid imi nodi gwaith y Pwyllgor sy'n ymwneud â'r ymchwiliad presennol i COVID-19.

Rwy'n amlinellu isod yr wybodaeth ddiweddaraf am gamau gweithredu Llywodraeth Cymru yn erbyn argymhellion ymchwiliad y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau, sydd wedi'u nodi yn adroddiad *Budd-daliadau yng Nghymru*.

Argymhelliad 1

Y flaenoriaeth gyntaf ar gyfer 'budd-daliadau' Llywodraeth Cymru yw sicrhau eu bod yn addas at y diben a'u bod yn gallu addasu'n gyflym i wynebu'r heriau a achosir gan argyfwng pandemig COVID-19.

Mae'r Adolygiad traws-lywodraethol o'n rhaglenni a'n gwasanaethau presennol (i sicrhau eu bod yn cael yr effaith fwyaf ar fywydau plant, pobl ifanc a theuluoedd sy'n byw mewn tlodi) bron â dirwyn i ben. Mae'r Adolygiad wedi ystyried yr hyn sy'n gweithio wrth drechu tlodi ar sail tystiolaeth, ynghyd ag amrywiaeth o waith gwerthuso gan Lywodraeth Cymru ac ymchwil allanol. Cynhaliwyd rhaglen sylweddol i feithrin cysylltiadau â rhanddeiliaid allanol, cynrychiolwyr ar draws y Llywodraeth, ac â phlant a phobl ifanc yn uniongyrchol hefyd. Ar hyn o bryd, rydym yn y broses o gwblhau'r camau gweithredu yr ydym am fwrw ymlaen â nhw yn dilyn yr Adolygiad. Yn sgil rhoi'r camau hynny ar waith, bydd 'budd-daliadau' perthnasol Llywodraeth Cymru yn fwy cyson ac yn integreiddio'n well.

Byddwn yn datblygu'r camau gweithredu sydd eisoes wedi'u cymryd mewn ymateb i'r argyfwng presennol wrth fynd â'r gwaith hwn rhagddo. Bydd hynny'n cynnwys datblygu set o egwyddorion a gwerthoedd a fydd yn sail i 'system fudd-daliadau i Gymru'. Byddwn yn rhoi ystyriaeth i'r adborth a gafwyd yn ystod proses ymgysylltu'r Adolygiad, ac yn datblygu'r egwyddorion craidd y mae Llywodraeth Cymru eisoes wedi'u hamlinellu, sef tosturi, tegwch, urddas a dealltwriaeth.

Mae plant, pobl ifanc a theuluoedd mewn angen yn parhau i fod yn flaenoriaeth i Lywodraeth Cymru, a byddwn yn parhau i roi sylw i beth arall y gallwn ei wneud ar gyfer y gyfran sylweddol hon o'r boblogaeth yng Nghymru.

Argymhelliad 2

Diweddarwyd yr unig wefan sy'n darparu gwybodaeth ar bwy sy'n gymwys ar gyfer rhaglenni a chynlluniau Llywodraeth Cymru fel ei bod yn cynnwys gwybodaeth berthnasol ynghylch gwariant ar fudd-daliadau datganoledig – os yw'n bosibl ac yn ymarferol i wneud hynny.

https://llyw.cymru/yr-amodau-ar-gyfer-derbyn-sgil-fudd-daliadau-sgil-gynlluniau-eraill?_ga=2.177861093.1753108974.1589807337-1929955435.1559727823

Argymhelliad 3

Mae'r Gronfa Cymorth Dewisol (DAF) yn cael ei chadw dan adolygiad rheolaidd yn ystod argyfwng COVID-19. Mae Llywodraeth Cymru yn buddsoddi £11.2m ychwanegol i'r gronfa honno i gefnogi'r galwadau cynyddol a achosir gan yr argyfwng. Mae teuluoedd ledled

Cymru yn troi at y gronfa i gael cymorth ychwanegol i'w helpu i ymdopi â rhai o'r pwysau ariannol a'r heriau y maent yn eu hwynebu. Mae Llywodraeth Cymru wedi gofyn i bersonél Canolfan Gwasanaethau'r Gronfa Cymorth Dewisol fod yn fwy hyblyg ac i weithredu fel y gwelont orau mewn perthynas â nifer ac amllder y Taliadau Cymorth mewn Argyfwng y gallai fod eu hangen ar gleientiaid. Gwneir hynny er mwyn darparu mwy o gymorth i unigolion sy'n wynebu caledi ychwanegol sylweddol oherwydd argyfwng y coronafeirws, gan gynnwys y rheini sydd wedi dioddef ergyd yn sgil colli incwm, ac sy'n aros i Daliadau cyntaf y Credyd Cynhwysol gael eu talu, yn ystod cyfnod 1 Mai i 31 Gorffennaf 2020.

Mae Llywodraeth y DU wedi gwneud nifer o newidiadau a allai leddfu rhai o effeithiau'r hyn a elwir yn 'bum wythnos o aros' ar gyfer Credyd Cynhwysol o ganlyniad i COVID-19. Roedd Pwyllgor Gwaith a Phensiynau Senedd y DU wedi lansio ymchwiliad i'r 'pum wythnos o aros' yn ôl cais yr Ysgrifennydd Gwladol dros Waith a Phensiynau. Rwy'n pryderu mai prif gymorth Llywodraeth y DU i helpu'r rheini sy'n ei chael yn anodd i ymdopi ag aros am bum wythnos yw blaendaliadau ad-daladwy o hyd. Cydnabyddir yn gyffredinol bod cymorth o'r fath yn wan, ac i rai gall fod yn 'ateb niweidiol'. Rwy wedi ysgrifennu ar y cyd â Phrif Weinidog Cymru at yr Ysgrifennydd Gwladol dros Waith a Phensiynau i ofyn a allai'r blaendaliadau hynny gael eu trosglwyddo'n grantiau nad oes angen eu had-dalu. Mae Llywodraeth y DU wedi dangos drwy gydol argyfwng pandemig COVID-19 y gall wneud newidiadau cyflym i'r system nawdd cymdeithasol os yw'n dewis gwneud hynny. Mae'n anodd rhagweld pa rai o'r newidiadau hynny y bydd Llywodraeth y DU yn eu cadw ar gyfer y tymor hir, a sut y bydd angen i'r system nawdd cymdeithasol ddatblygu i wynebu'r heriau cyson drwy gydol y cyfnod adfer a thu hwnt iddo.

Amgaeir copi o'n llythyr at yr Ysgrifennydd Gwladol dros Waith a Phensiynau, a'n cyflwyniad ysgrifenedig ar gyfer y Pwyllgor Gwaith a Phensiynau ynghylch y ffaith bod pum wythnos o aros cyn cael taliad cyntaf y Credyd Cynhwysol.

O ran y Gronfa Cymorth Dewisol (DAF), mae canllawiau ar gyfer y Taliad Cymorth mewn Argyfwng (EAP) wedi'u diweddarau ymhellach i sicrhau bod y rheini sy'n hawlio, neu'r asiantaethau cymorth, yn ymwybodol ei fod yn grant i helpu i dalu costau hanfodol ar ôl argyfwng, yn dilyn trychineb fel llifogydd neu dân yn y cartref, neu galedi ariannol eithafol am resymau sy'n cynnwys oedi mewn perthynas â thalu budd-daliadau.

<https://llyw.cymru/cronfa-cymorth-dewisol-daf>

Mae dogfen *Y Gronfa Cymorth Dewisol: Canllawiau i'r Sawl sy'n Gwneud Penderfyniadau* yn cael ei diwygio ar hyn o bryd, a byddaf yn rhoi gwybod ichi pan fydd y gwaith hwnnw wedi'i gwblhau.

Argymhelliad 4

Mae'r Gronfa Gyngori Sengl yn parhau i fod yn ddull arwyddocaol ar gyfer Cymru gyfan i hybu a chynyddu'r nifer sy'n hawlio budd-daliadau lles sydd wedi'u datganoli a heb eu datganoli. Mae'r Gronfa'n cynnwys amrywiaeth o bartneriaid sy'n gweithio mewn ffordd gyson i sicrhau bod gwasanaethau cyngori'n cyrraedd cymunedau, ac yn cael eu darparu o leoedd lle y mae pobl sydd fwyaf mewn angen yn mynd. Mae cynlluniau unigol, fel Cynllun Gostyngiadau'r Dreth Gyngor, hefyd yn hybu'r nifer sy'n hawlio budd-daliadau drwy eu rhwydweithiau pwrpasol a thrwy eu rhanddeiliaid.

Ym mis Tachwedd 2019, sefydlwyd Gweithgor yn cynnwys cynrychiolwyr rhanddeiliaid allweddol a swyddogion o'r Adran Gwaith a Phensiynau i ystyried sut i ddod â chylch y nifer isel sy'n hawlio i ben, fel bod gan fwy o bobl hŷn yr hawl gyfreithiol i Gredyd Pensiwn a Budd-daliadau Lles eraill.

Mae argyfwng y coronafeirws wedi dangos pwysigrwydd rhwyd ddiogelwch y budd-daliadau lles yn glir. Mae'n bwysig ein bod yn parhau i weithio mewn partneriaeth â'r Adran Gwaith a Phensiynau, er mwyn rhoi'r cyngor a chymorth priodol i gymunedau yng Nghymru. Mae hynny'n helpu i sicrhau nad oes neb yn syrthio drwy'r bylchau. Mae nifer mwy o bobl yn debygol o angen help nid yn unig yn ystod yr argyfwng presennol, ond hefyd y tu hwnt i hynny. Mae gweithio mewn partneriaeth yn hanfodol i godi ymwybyddiaeth o'r cymorth ariannol sydd ar gael gan system y budd-daliadau lles. Mae'r Gweithgor yn parhau i gyfarfod yn ystod y cyfnod hwn, gan gyfleu'r neges am y nifer sy'n hawlio'r Credyd Pensiwn a budd-daliadau eraill i helpu'r rheini sydd fwyaf mewn angen.

Bellach, rydym yn barod i ehangu gwaith y Gweithgor i edrych ar y nifer sy'n hawlio pob budd-dal lles, drwy Lywodraeth y DU a Llywodraeth Cymru, er mwyn manteisio i'r eithaf ar y cymorth ariannol sydd ar gael i grwpiau sy'n agored i niwed.

Argymhelliad 5

Rydym yn parhau i ystyried ar y cyd â Llywodraeth y DU y mecanweithiau gorau i gryfhau llais Cymru ym mhenderfyniadau Llywodraeth y DU am bolisi nawdd cymdeithasol. Mae swyddogion Llywodraeth Cymru wedi tynnu sylw swyddogion cyfatebol yn llywodraethau eraill y DU at yr argymhelliad hwn, er mwyn ei ystyried ymhellach fel rhan o ffrwd waith yr Adolygiad Cysylltiadau Rhynglywodraethol a gomisiynwyd ar y cyd â Chyd-bwyllgor y Gweinidogion (Cyfarfod Llawn) ym mis Mawrth 2018. Rydym yn parhau i alw am fwrw ymlaen â gwaith yr Adolygiad hwnnw.

Rydym hefyd yn parhau i ofyn i Lywodraeth y DU wrthdroi'r polisiau niweidiol y maent wedi'u gweithredu drwy ddiwygio lles a mesurau cyni sy'n cael effaith negyddol sylweddol ar deuluoedd sydd fwyaf mewn angen. Cyn i Ddatganiad Cyllideb Llywodraeth y DU gael ei gyhoeddi ym mis Mawrth 2020, roedd y Gweinidog Cyllid a'r Trefnydd wedi ysgrifennu at Ganghellor y DU yn gofyn i Lywodraeth y DU flaenoriaethu'r cymorth i'r rhai hynny sydd fwyaf mewn perygl. Gofynnwyd iddynt roi blaenoriaeth yn benodol i'r bobl hynny sydd ar incwm isel neu sydd dan anfantais arall, gan gynnwys gwneud newidiadau sylweddol i'r Credyd Cynhwysol. Byddwn yn parhau i roi pwysau ar Lywodraeth y DU i ddarparu system nawdd cymdeithasol yng Nghymru sy'n bodloni ein hegwyddorion craidd.

Argymhelliad 6

Rwy wedi cyfarfod â Rachel Cable, Prif Weithredwr Oxfam Cymru, i drafod sut y gellir addasu'r Pecyn Cymorth Bywoliaethau Cynaliadwy a dechrau ei ddefnyddio yn y ffordd orau ar draws rhaglenni Llywodraeth Cymru. Mae staff Oxfam Cymru wedi cytuno i gyflwyno sesiwn codi ymwybyddiaeth o dlodi ar gyfer arweinwyr polisïau Llywodraeth Cymru, gan ddechrau gyda'r rheini sy'n gweithio ym maes Gwasanaethau Cynhwysiant Ariannol, Digartrefedd a Chyngor. Yn ystod y cyfarfod, roeddem wedi cytuno hefyd i edrych ar ymarferoldeb defnyddio'r pecyn cymorth mewn awdurdodau lleol sy'n cyflwyno ymyriadau i atal digartrefedd, ac i 'Bartneriaid Cymeradwy' sy'n gwneud cais ar ran eu cwsmeriaid i gael mynediad i'r Taliad Cymorth i Unigolion o dan y Gronfa Cymorth Dewisol (DAF). Ein huchelgais o ran y ffordd hon o weithio a chan ddefnyddio dull hyblyg pecyn cymorth Oxfam Cymru yw gallu dod i wybod pwy sydd fwyaf mewn perygl cyn iddynt fynd i drafferthion, a'u cefnogi drwy sicrhau eu bod yn gallu hawlio Budd-daliadau Llywodraeth y DU a Llywodraeth Cymru, a datblygu ffordd well o gyfeirio ac atgyfeirio'r bobl hynny i wasanaethau allweddol eraill.

Argymhelliad 8

Byddaf yn ysgrifennu at y Gwir Anrhydeddus Therese Coffey, yr Ysgrifennydd Gwladol dros Waith a Phensiynau er mwyn cymeradwyo iddi ddatganiad eich ymchwiliad i ofal anffurfiol gan berthynas. Gofynnaf iddi adolygu'r diffiniad o ofal gan berthynas o ran yr holl fudd-daliadau nad ydynt wedi'u datganoli, gyda'r bwriad o'i ehangu i gynnwys aelodau'r teulu ac eraill sydd â pherthynas agos â'r teulu ond nad ydynt yn rhieni sy'n gofalu am blentyn neu berson ifanc mewn modd anffurfiol ac amser llawn. Mae angen i'r system nawdd cymdeithasol sydd ar waith yng Nghymru fod yn dosturiol ac yn deg, i roi mwy o gymorth i ofalwyr sy'n berthnasau.

Argymhellion 9 - 17

Mae Canolfan Polisi Cyhoeddus Cymru wedi cyhoeddi ei hadolygiad cyflym o'r dystiolaeth, sef *Gweinyddu Nawdd Cymdeithasol yng Nghymru*. Yn ôl yr adroddiad, nod y dadansoddiad cychwynnol hwn yw helpu i lywio trafodaethau am waith dadansoddi a thystiolaeth ychwanegol mewn perthynas â datganoli'r gwaith o weinyddu nawdd cymdeithasol yng Nghymru. Mae'r adroddiad yn amlygu bod rhoi sylw i'r rhannau hynny o'r system nawdd cymdeithasol y gellid eu hystyried yn agweddau ar 'weinyddu' yn debygol o olygu y bydd angen o leiaf deddfwriaeth sylfaenol Llywodraeth y DU i sicrhau y gellir trosglwyddo unrhyw bwerau. A hynny oherwydd bod y ffordd y cynlluniwyd nawdd wedi'i nodi'n fanwl yn neddfwriaeth y DU, er enghraifft drwy Reoliadau. Byddai cynnal ymchwiliad cychwynnol i ymarferoldeb sicrhau pwerau ar gyfer un rhan o un budd-daliad nawdd cymdeithasol (o ran hyblygrwydd Credyd Cynhwysol [Argymhelliad 9], fel sydd wedi digwydd yn yr Alban), ar y lleiaf yn golygu bod angen i Lywodraeth y DU fod yn fodlon cynnal y gwaith o ddatblygu deddfwriaeth sylfaenol, ac o bosibl, ddechrau trafodaethau ar y setliad datganoli. Hoffwn bwysleisio nad yw Dewisiadau'r Alban ynghylch trefniadau talu Credyd Cynhwysol ar gael hyd nes bod y taliad cyntaf wedi'i dalu i'r sawl sy'n hawlio, ac felly mae'r cyfnod aros o bum wythnos am daliad cyntaf y Credyd Cynhwysol yr un fath yn yr Alban ag ydyw yng Nghymru ac yn Lloegr.

Yn fy nhystiolaeth ar gyfer eich ymchwiliad, roeddwn wedi cadarnhau ymrwymiad Llywodraeth Cymru i'n huniad mewn perthynas â nawdd cymdeithasol, a'r rhan bwysig y mae system nawdd cymdeithasol ar gyfer y DU gyfan yn ei chwarae wrth wynebu heriau mawr. Mae'r modd y gall y DU weithio ar y cyd i gyflawni'r heriau mawr hynny ar feddwl pawb yn ystod y cyfnod hwn. Am y rheswm hwnnw, mae angen i Gymru fwrw ymlaen â'r gwaith o ystyried datganoli nawdd cymdeithasol â gofal mawr.

O ran argymhellion 9 i 17, byddaf yn rhoi ystyriaeth bellach i'r cyfeiriad y bydd y Llywodraeth hon yn ei ddilyn ynghylch datganoli unrhyw agweddau ar y system nawdd cymdeithasol. Mae'n hanfodol ein bod yn archwilio hyn ymhellach i sicrhau bod rhwyd ddiogelwch nawdd cymdeithasol ar gael i bawb. Ac wrth gynnal rhagor o drafodaethau ar y mater hwn â Llywodraeth y DU, mae'n holl bwysig ein bod yn sefydlu set glir o egwyddorion ar gyfer nawdd cymdeithasol, ein bod yn asesu goblygiadau'r setliad datganoli, a bod unrhyw gyllid a drosglwyddir ac a negodir yn seiliedig ar dystiolaeth dda a chadarn.

Yn gywir,



Hannah Blythyn AC/AM

Y Dirprwy Weinidog Tai a Llywodraeth Leol
Deputy Minister for Housing and Local Government

Y Gwir Anrh/Rt Hon Mark Drakeford AC/AM
Prif Weinidog Cymru/First Minister of Wales

Hannah Blythyn AC/AM
Y Dirprwy Weinidog Tai a Llywodraeth Leol
Deputy Minister for Housing & Local Government



Llywodraeth Cymru
Welsh Government

Rt Hon Thérèse Coffey MP
Secretary of State for Work and Pensions

secretaryofstate@dwp.gov.uk

17 April 2020

Dear Secretary of State

The Covid-19 (coronavirus) crisis has created unprecedented challenges both within Wales and across the UK. We welcome the close working that has been rapidly put in place between officials in the UK and Welsh Governments. We acknowledge the many changes to the UK social security system which you have been able to put in place quickly to help those suffering most financial hardship during this crisis.

We are seeing increasing numbers of people seeking urgent financial support and assistance, particularly to our Discretionary Assistance Fund (DAF). One of the reasons we are seeing over a doubling of requests to our DAF is the increased number of claimants seeking support from Universal Credit who are not able to wait for the five weeks for their first payment of Universal Credit. We are particularly concerned that your department has not been able to make changes to the five week wait for the receipt of a first payment of Universal Credit, and therefore the continued reliance on advanced payments as a solution in this crisis. According to the latest statistics released from your department as between 1 March 2020 and 7 April 2020 there has been an increase of 82,500 new applications for Universal Credit in Wales.

We would like to see the following changes implemented as a matter of urgency that:

- there should be a reduction to the five-week wait for the first payment of Universal Credit for a new claimant by introducing a shorter and more flexible assessment period, and also by offering a one-off non-repayable grant at the start of the claimant's application for Universal Credit;
- all Universal Credit claimants to be offered an informed choice on the frequency of their payments of Universal Credit, for example, weekly, fortnightly or monthly;

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.


- all Universal Credit claimants to be offered an informed choice regarding the payment of the housing costs element of Universal Credit (where applicable) direct to their landlord; and
- all Universal Credit claimants to be offered an informed choice regarding the split payment for Universal Credit as opposed to one household payment.

I attach our written evidence on the impact of the five week wait for Universal Credit which we have also copied to the Rt Hon Stephen Timms MP, Chair of the UK Parliamentary Committee on Work and Pensions, to contribute to their current inquiry on this matter. We are also copying both this letter and our written evidence to the Secretary of State for Wales.

Yours sincerely



MARK DRAKEFORD



HANNAH BLYTHYN

Welsh Government Written response to the UK Parliamentary Work and Pensions Committee Inquiry ‘Universal Credit: the wait for a first payment’

Introduction

We welcome the UK Parliamentary Work and Pensions Committee’s inquiry into the five week wait for a first payment of Universal Credit, which has impacted on many claimants in Wales since the implementation of Universal Credit for new claimants, or those with a change of circumstances, especially the most vulnerable.

Please find below the Welsh Government’s written response to the inquiry.

Question 1 – To what extent have the mitigations the Government has introduced so far (e.g. Advance Payments) helped to reduce the negative impact of the five week wait for UC claimants?

Analysis undertaken by Policy in Practice for the Joseph Rowntree Foundation (JRF)¹ found that the biggest challenge people faced when moving onto Universal Credit was the minimum five week wait for the first payment. Furthermore, it makes the point that this wait can be far longer due to errors or difficulties in making the claim, and although people can take out a loan (i.e. a re-payable Advance Payment) to help tide them over, repaying this can, in some circumstances, leave them without enough money to live on. Their analysis estimates 2 in 5 families due to move onto Universal Credit (UC) will be unable to meet basic living costs during the five week wait. The JRF suggest that Child Tax Credit should ‘run on’ for two weeks after claiming Universal Credit, and that the UK Government should introduce an upfront grant, directing it to families who are unable to meet basic outgoings during the five-week wait².

Research by Citizens Advice also found that people face particular problems during the five week wait for a first payment, with this wait leaving half of the people they help unable to keep up with bills, rent or going without essentials³. Their latest Advice Trends report⁴ shows that between March 2019 and February 2020 local Citizens Advice in Wales helped 2,806 people with issues relating to the initial wait for a UC payment, and 3,489 people with issues relating to UC advance payments.

The main calls by Citizens Advice⁵, which we endorse, in relation to the five week wait are:

- In the short-term, to reduce the five week wait by bringing forward the first non-repayable payment to no later than two weeks into a Universal Credit claim, and

¹ [New analysis: Financial resilience and the transition to Universal Credit; We need to end the five-week wait for Universal Credit – here’s how](#)

² [We need to end the five-week wait for Universal Credit – here’s how](#)

³ [Managing money on Universal Credit](#)

⁴ [Advice Trends 2019/2020](#)

⁵ [Achieving income security for all](#)

- In the long-term, to explore more flexible assessment periods and payment cycles under Universal Credit to ensure people are paid in a way which reflects their personal circumstances and enables them to budget effectively.

From recent information provided by Citizens Advice within the last two weeks, we understand of the 2,200 people who have come to them with concerns relating to Coronavirus, so far nearly 71% needed help with access to welfare benefits. The number of people they have helped with Universal Credit has increased by 53%, however, we are uncertain how many of these people are as yet awaiting for their first payment of Universal Credit.

Case study evidence and analysis of support service data by the Trussell Trust⁶ also shows the ongoing impact of the minimum five week wait and the limits of current UK Government policies to mitigate its effects. Their analysis found that the minimum five week wait for Universal Credit (either without income or with an Advance Payment) has led to acute financial hardship, and damaged households' longer-term financial resilience. This includes destitution, housing insecurity and debt. They also found that the wait is having a detrimental impact on people's mental health, with many people reporting they had experienced high levels of anxiety, especially as they did not know how much they would receive and when, and some even reported at one extreme point feeling suicidal.

The analysis highlights that services like advice agencies, council-led crisis provision, and food banks have been forced to deal with the fall-out from the minimum five week wait, as claimants turn to non-DWP support to manage financial hardship. They argue that current DWP support is often not enough to mitigate the impact of wait, with advance payments leaving claimants to decide between hardship now or hardship later.

In the short term, we know that the Trussell Trust is calling for much-needed support for people going through 'natural migration', by providing non-repayable grants to new claimants, rather than loans. The Trussell Trust has also urged the DWP to consider improvements by benefit run-ons to support all legacy benefit claimants by extending these to people moving from tax credits, and covering a minimum period of three weeks to match typical waiting time legacy benefits. In the long term, the Trussell Trust recommend that DWP must restructure the assessment cycle to end the five week wait for the first payment, with options including more frequent payments, a shorter assessment period and backdating claims so that claimants receive payments as soon as possible, something which the Welsh Government strongly supports.

⁶ [Why we need to end the wait for Universal Credit](#)

Similarly, the Resolution Foundation also report that further action is likely to be needed, with their research⁷ finding that the wait for the first payment represented a common challenge among Universal Credit recipients they have spoken to. In relation to the five week wait, the Resolution Foundation suggest that to give Universal Credit the best chance of success, the UK Government should consider how to further reduce the wait for the first payment including via testing an initial fortnightly payment for certain groups.

The Scottish Government already has introduced 'Scottish Choices' but these cannot be applied until after the first payment of Universal Credit has been made by the DWP, so all of the problems which Universal Credit claimants see around the five week wait in Wales also exist in Scotland, as well as England. The National Assembly Equalities and Local Government and Communities Committee currently have an inquiry into 'benefits: better options for delivery in Wales' and reported on this in October 2019. One of their recommendations was for the Welsh Government to seek to explore the options for more frequent payments, more split payments and payments direct to the landlord as with Scottish Choices. However, if these cannot be applied until after the first payment of Universal Credit, and if the five week wait could be eliminated then this would be a huge mitigating action to combat financial difficulties being experienced by many during the five week wait.

Question 2 – What is the best way of offsetting the impact of the five week wait?

Please see our written evidence as set out within our response to Question 1 for alternative solutions to offset impacts of the five week wait.

Question 3 – Are different mitigating options needed for different groups of claimants?

Evidence that we have seen shows that 2 in 5 families due to move onto Universal Credit will be unable to meet basic living costs during the five week wait. The JRF suggest that Child Tax Credit should 'run on' for two weeks after claiming Universal Credit, and that the UK Government should introduce an upfront grant, directing it to families who are unable to meet basic outgoings during the five week wait. This is an echoing theme also highlighted in research by the Trussell Trust, for example, that the five week wait has led to acute financial hardship, and damaged households' longer-term financial resilience. The wait for payment also has a detrimental impact on people's mental health, with high levels of anxiety when vulnerable people are unsure as to how much they would receive, and when.

⁷ [The Long and Winding Road](#)

Welsh Government's Discretionary Assistance Fund

The Welsh Government's Discretionary Assistance Fund (DAF) is a fund of last resort intended to support people experiencing extreme hardship. Many of these people will be the most vulnerable in society due to issues relating to poverty, physical and mental health issues and age, and these are therefore those who are at greater risk from the impacts of the five week wait for Universal Credit exacerbated by the Covid-19 (coronavirus crisis), be they related to health, or economy.

The fund contains two types of grant, Emergency Assistance Payments (EAP) and Individual Assistance Payments (IAP). EAPs are a grant to help with essential costs after an emergency, or if a claimant has experienced a disaster such as a flood or fire at home, or extreme financial hardship for reasons including delays in benefit payment. There are projected to have been over 18,000 EAP payments in 2019-20. IAPs are a grant to help someone live independently rather than enter or remain in an institution such as a care home or hospital. Since the launch of the DAF in 2013 it has made 304,464 awards totalling almost £60m in grant funding to the most vulnerable individuals⁸.

The criteria for DAF has been progressively adapted to ensure the fund reflects the circumstances and lived experiences of service users because it is supported by a network of partners who apply on behalf of their clients. These partners are drawn from more than 300 front-line organisations across Wales. They are best placed to help shape the fund, given their expertise in supporting more vulnerable groups, and their learned knowledge of their clients and the pressures they are facing on a daily basis. Through this work, it became clear from both service users at application stage and partners, that gaps in and delays to welfare benefit payments, particularly Universal Credit, were causing hardship, so this has been included as an eligibility criteria for accessing emergency payments. In order to overcome the significant minimum five week waiting time for new claimants for Universal Credit (UC) to receive their first payment, criteria for the DAF allows partners to confirm that an application for UC has been made, thus allowing access to DAF, as prior to this eligibility was based on being in receipt of benefits. The criteria was also amended to allow sanctioned individuals to apply given this hardship.

Since 18 March 2020 the DAF service Centre have been recording claims relating to Covid19 (coronavirus) factors, showing significant extra numbers of EAP payments due to Covid-19 reasons, which have more than doubled from typical levels, at this period.

⁸ Data for March 2020 is provisional. Final full year figures for 2019/20 are expected by 17 April.

Question 4 – Are there barriers or potential unintended consequences to removing the five week wait – either for claimants or the Department? How can they be overcome?

We know from the written evidence presented above in our responses that the wait for the first payment of Universal Credit is a common challenge amongst many Universal Credit recipients, particularly the vulnerable. One suggestion from the Resolution Foundation is that the UK Government should consider how to further reduce the time for the first payment, including via testing an initial fortnightly payment for certain groups. We cannot see any barriers or potential unintended consequences to removing the five week wait.

The last few weeks within the coronavirus crisis has shown how quickly the department can respond and be flexible at pace with changes to the processing of Universal Credit. We accept that in removing certain processes, such as verifications to be able to handle over 1 million new UC claims within a few weeks, this might have loaded problems of reconciliations to the back-end of processing but the sheer scale of the number of new UC claims and unnecessary processing of repayable advanced payments (loans) must show that the five week wait must be eliminated and a more compassionate approach for the vulnerable adopted.

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