Universal Credit: tests for managed migration: Government Response to the Committee’s Twenty-Sixth Report

Twenty-Fourth Special Report of Session 2017–19

Ordered by the House of Commons to be printed 3 July 2019
Work and Pensions Committee

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Appendix: Government Response

1. The Government welcomes the Twenty-Sixth Report of Session 2017–19, following the Committee’s inquiry into Tests for Managed Migration.

2. The Government is pleased that the Committee recognises the importance of getting managed migration right, and appreciates the research the Committee has compiled to ensure that claimants receive full support with their transition to Universal Credit (UC).

“We remain of the view that we set out in our 2018 report on managed migration: it is impossible to overstate the importance of getting managed migration right.”

3. The Government also appreciates the Committee’s recognition that claimants taking part in the pilot will not be left without an income. This is a priority for the Department, in the same way that it is for the Committee.

“Neil Couling told us in correspondence that the Department does not intend during the pilot to use its powers to terminate legacy benefits where a claimant has not made a UC claim. This should mean in practice that no-one taking part in the pilot will be left without an income. In our 2018 report, we raised concerns that the Department’s plans meant that claimants would bear the risks associated with managed migration rather than the Department, so this decision is welcome.”

4. The Committee published its report on 24 April 2019, including 4 recommendations for consideration by the Department for Work and Pensions. The Government’s response to these recommendations is set out below.

Work and Pensions Select Committee Recommendations

Recommendation 1:

We recommend that the Government collect and publish data on how many participants in the pilot would have been left with no income at all if this safeguard were not in place.

The Government is unable to accept this recommendation. Whilst we will collect and publish a broad range of information, it will not be possible to estimate how many claimants would have been left without income if their legacy claim had been closed. This is because we would not be able to estimate who would not have made a claim to Universal Credit if there was a risk of their legacy claim being closed.

2 House of Commons Work and Pensions Select Committee, Universal Support, Twenty-Sixth Report of the Session 2017–19, The Department’s plans for the pilot – Page 8
We can, however, point to evidence of Universal Credit live service to full service transfers. Following full service go-live in a Jobcentre area, claimants were invited to re-submit their details and open an account on the full service system. Departmental analysis shows that over 95% of claimants did comply, and consequently moved to live service seamlessly. The number of customers who failed to comply was low and provides an assurance that the transfer process was not disadvantageous. Furthermore, of these cases closed for non-compliance, only a third of cases returned to the Universal Credit system (around 1% of the total live service caseload).

We will use the pilot to understand the reasons why current legacy claimants decide not to submit an application for Universal Credit. We will comprehensively evaluate the process and take all the necessary steps to confirm that, where a person does not make a Universal Credit claim, that was the right outcome for them. It is our intent to make that evaluation publicly available at the end of the pilot.

There will be safeguards in place to protect those who might otherwise fail to make a successful claim. We appreciate the Committee’s acknowledgement of our commitment that we do not intend to terminate legacy benefits during the pilot. It is the Department’s priority to ensure that claimants do not fall through the net during the process.

Once issued with a migration notice, claimants will have a minimum of three months to claim Universal Credit. As mentioned above, during the pilot, existing benefits will continue in payment until such time as the Universal Credit claim is made. We are piloting this approach precisely to learn how we can contact and support people to move to Universal Credit. This information will further inform the pilot activity.

The Government observes that a lot of the public debate regarding managed migration has focused on the notion of ending entitlement. However, this is not the Government’s intention in any case. We have safeguards in place, such as reminders of the requirement to move, home visits where appropriate, ability to change the date of migration and a 1-month backdating of payments should the claimant apply later than their migration date.

**Recommendation 2:**

We recommend that the Department set out in its response:

a) **how it will take into account the unusually low levels of deprivation in Harrogate when evaluating the pilot, including the effect on typical claimant circumstances and on staff workloads;**

b) **whether, and if so how, it plans to test managed migration on a larger scale and in more challenging areas before it is rolled out across the country; and**

c) **how it will ensure that Jobcentres with a larger number of claimants to be migrated will be able to match the level of intensive support and home visits offered during the Harrogate pilot.**
The Department agrees with the Committee that we should move to scale as efficiently as possible following the pilot in Harrogate. We are exploring the best way to phase the expansion of managed migration with stakeholders, and have set out initial responses to the different parts of this recommendation below.

a) Harrogate is an ideal pilot area as it presents a range of claimant types and circumstances seen elsewhere that will be representative of the different types of claimants needing support during the managed migration process. Universal Credit has been live in Harrogate since June 2016; with only 13 Jobcentres transferred to the Universal Credit full service before this date. Harrogate contains a mixture of urban and rural claimants, as well as many claimants with complex needs. This will enable the Department to learn valuable lessons that will inform how best to support the range of claimant circumstances that might be presented in the Universal Credit caseload. It is important to note that no individual location can be representative of Great Britain as a whole.

We understand the Committee’s concerns, and appreciate the level of research the Committee has undertaken regarding the Harrogate and Knaresborough constituency. These are valuable findings that the Department has also taken into consideration from its own analysis.

b) If the Department feels it necessary, the pilot may be extended to additional pilot sites in due course. Once we have found what processes work for people in Harrogate, we will start to consider how we can apply these in other areas.

We want to take this opportunity to assure the Committee that we are not planning to rush the process, and will not begin to move claimants over until the Department is ready and sufficiently prepared to do so. The increase in volume will not happen in any significance until after the pilot phase is complete, and in 2021 at the earliest. Furthermore, we will return to Parliament with the findings from the pilot before the process begins, so there will be further opportunities to undertake an informed review of the process design.

c) The Department is committed to ensuring that every Jobcentre, regardless of size, will receive the necessary support, as the Committee rightly points out. It is a priority of the pilot to find those who will need support and help them through the process, including home visits where necessary. This will then give an indication of the size of the support requirement, which will be key information for any future scaling.

To ensure that all claimants are supported during the process, the Department has allocated additional funding for the home visiting service. This year we have allocated £1 million of funding, and for 2019/20 the total fund allocated will rise to just under £2 million. This will continue to increase to over £5.5 million per year by 2023/24, reflecting the increase in the total number of Universal Credit claimants by this time.

Our stakeholders and partners will also play a key role in the process, and we will work with them to ensure we reach those claimants at risk of being missed. The further development of these delivery relationships is a key aspect of this phase of the programme.
Tests of readiness

Recommendation 3:

The Department should immediately set tests of operational readiness based on those proposed by the SSAC and ensure that these tests are met before a single claimant is transferred through managed migration. The Department should publish the results of the tests.

Recommendation 4:

The Department should adopt, as a minimum, the tests we outline in Annex 1 as provisional tests of readiness for managed migration ‘at scale’ and collect the data necessary to do so. These tests cover payment timeliness, Work Coach/case manager performance, systems performance, the cost per UC claim, claimant satisfaction, claimant financial duress, claimant dropout, indicators relating to vulnerable claimants and the financial impact on third parties. The tests, and the specific thresholds that would indicate readiness, should be refined during the pilot. The Department should publish both the provisional and final tests and report the results to Parliament.

The Government agrees with these recommendations in principle, and we fully appreciate the importance of measuring the success of the managed migration pilot.

We appreciate the suggestions from both the Committee and valued stakeholders around possible criteria for operational tests of readiness.

As the Committee has noted, the Department will use the pilot to help us inform our tests for readiness to move to managed migration at scale, and we are pleased that the Committee has noted that valued stakeholders, such as Mind and the Low Incomes Tax Reform Group, appreciate that it is sensible to establish detailed measures for readiness after the pilot. We also appreciate that the Committee accepts that detailed tests of readiness to go to scale could only be finalised in light of the results of the pilot. Fundamentally, we see the pilot as not just informing the decision to move to scale, but more importantly, informing how we move to scale, which is why we agree with the Committee regarding the need for tests to evaluate the pilot.

As the Committee has rightly pointed out, the pilot needs to be evaluated against criteria, otherwise there is a risk of being constrained by the data collected. This is why the Department has questions that we will want to answer from the pilot, and these were shared with the Committee in a letter dated March 2019.

These include:

i) Is IT developed to a sufficient extent to handle the volumes and support effective delivery?

ii) Are delivery partners engaged and prepared?

iii) Do we have sufficient numbers of trained staff in place to support scaling?

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3 House of Commons Work and Pensions Select Committee, Universal Support, Twenty-Sixth Report of the Session 2017–19, The Department’s plans for the pilot – Page 15

4 Universal Credit: tests for migration, response to the Committee from Neil Couling, 5 February 2019 – Page 2
iv) Have our assumptions been tested in the pilot phase?

v) Are contingencies in place for unsuccessful assumptions?

vi) Are key stakeholders briefed and prepared?

vii) Are we certain claimants understand what is required of them, and will they be effectively supported through the process?

This approach is particularly important for vulnerable and hard-to-reach claimants, who the Department will help to move across to the new system. We are piloting this to learn how to best help people onto Universal Credit without ending their legacy entitlement, and to develop our delivery processes.

The Department has also agreed to test an approach based on using the existing relationships that claimants already have with relevant organisations. We have called this approach ‘Who Knows Me’, and we intend to test the idea that, by working closely with our partners, we will move claimants onto Universal Credit more successfully without having to send multiple communications or stop benefit payments.

The Department has identified three core areas of the ‘Who Knows Me’ service that we want to test and assure ourselves of as part of the pilot.

These are:

i) We are able to calculate, explain, pay and erode Transitional Protection;

ii) We are able to engage and persuade claimants to act;

iii) We are able to support claimants through the process (including their first and subsequent payments).

The Department agrees with the Committee’s point that Parliament should be able to hold the Government to account before managed migration to scale begins. As such, we will report on our findings from the pilot before bringing forward legislation to extend this process. We plan to publish the evaluation strategy by the end of 2019, developed in partnership with the stakeholder group. This will set out key evaluation questions, and the monitoring, research and analytical methods we will use. The evaluation will enable us to report in future on the extent to which we have achieved our aims, and also to understand how we can improve the design and delivery. We want to ensure that we design the best process possible for our claimants, and we welcome the thoughts of Parliament in working towards a common goal.

We hope that the Committee finds this information reassuring and helpful.