Frank Field MP
Work and Pensions Committee
House of Commons
London
SW1A 0AA

25 February 2018

Dear Frank,

Re: Universal Credit: tests for managed migration

Thank you for your letter regarding readiness tests for Universal Credit managed migration.

The Trussell Trust is conscious that much of the success of managed migration depends on the ‘test and learn’ pilot starting July 2019. We are concerned about the lack of clarity regarding how the Department for Work and Pensions will start to assess managed migration as this critical pilot gets underway.

1. Appropriateness of the Committee’s suggested tests

The suggested tests seem appropriate and concur with other stakeholder views, such as Citizens Advice and SSAC. There are also some additional aspects or changes that could be considered.

First, one key concern with managed migration is the lack of automated transfer and potential for delay in claiming Universal Credit (or people not claiming at all) once a legacy benefit ends, leaving a gap in income. Payment timeliness will track those who manage to submit a claim, but it will not capture delays in getting to this point or those who don’t manage to open an account at all. This is arguably difficult to do for new claimants, particularly if there is no link to legacy benefits. But as all claimants going through managed migration are by definition people the department has identified, there should be a way to monitor risks in the earlier stages of the process. This could include tracking different stages, e.g. the time between opening and submitting a claim, claim drop-out rates, and withdrawn/backdated notices (as a proxy for inappropriate timescales for making a claim).

One issue to consider is that the department’s planned targeted approach in the pilot might mean people do not get to the point of a break in income. Yet it would still be worth tracking to demonstrate this, and to review whether there are other metrics to understand what is required to ensure people open and submit claims on time (see below re capacity).

Second, while we agree that food bank referrals are a clear indicator of financial hardship, there are some difficulties in collecting data for this purpose. Jobcentres do not make referrals, according to DWP policy,
but can signpost to Trussell Trust food banks. This means the department will not collect information on food bank referrals. For Trussell Trust food banks, there is currently no systematic way to track whether a person has been referred as part of the managed migration pilot and, if asked, it may not be clear to the individual whether this is the case. We will be looking at how we can collect evidence on the impact of managed migration, but this may need to rely on qualitative data rather than just referral statistics. As a test of readiness, this will be reliant on the department’s acceptance of this type of evidence.

Third, it may be worth monitoring claimant commitments, for example, under ‘customer satisfaction’. This is a fundamental change from legacy benefits; all claimants are expected to sign a commitment on employment expectations – whether working or not. Crucially, claimant commitments must be signed to get a first payment. This risks claimants signing commitments which are inappropriate to their circumstances. A DWP Full Service claimant survey noted only 54% of those surveyed agreed their claimant commitment took personal circumstances into account (DWP, 2018; Fig. 5.1). As this is an important part of adjusting to the new system, and relates to the risk of sanctions while on Universal Credit, claimants’ understanding of and satisfaction with claimant commitments could be monitored.

Across each of these points – and other proposed indicators – it would be welcome to define some specific groups who are likely to face a disproportionate risk of these issues (gaps in payment, financial hardship, inappropriate claimant commitments). This should be based on a broad evidence from frontline organisations; based on the profile of people referred to Trussell Trust food banks, this is particularly likely to be households with someone with a health condition or disability (including mental illness) and those with children, namely single parents.

Finally, following the first point, the department could look explicitly at ‘departmental capacity’ rather than solely ‘performance’. It is important to understand what is required for successful managed migration, to reflect on readiness to scale up. This could include suggested metrics such as the work coach and case manager caseload and additional costs for third parties. For example, understanding the ratio of cases to work coaches is important to understand the resource needed to fulfil the controlled, intensive approach to managed migration that the department intends to undertake with its pilot.

2. Prioritisation of tests

Of particular priority for the Trussell Trust are measures of success from the perspective of people claiming Universal Credit. These would include: financial hardship or duress, transfer delays (see above), payment timeliness, and customer satisfaction.

Given the increasing referrals to Trussell Trust food banks relating to Universal Credit problems, and risk of increased referrals when Universal Credit is rolled out, we are also keen for a measure of the impact
on third parties. This should include a range of bodies, such as councils, voluntary sector services, housing associations and private landlords. This is particularly pertinent, given Mr. Couling’s latest letter to stakeholders (22 February 2019), which states the department will “only seek to move people with whom we know that either we, or a partner organisation, has an established relationship in place” for the pilot. Further detail is to be discussed, but this suggests a significant expectation of third parties to test managed migration – and potentially to scale up.

3. Problems or advantages of the department’s preferred approach

We welcome the DWP’s move to involve frontline organisations in its managed migration plans and commit to providing the support needed for claimants to ‘migrate’ smoothly. Even so, we think some basic principles of what ‘successful’ managed migration looks like should be agreed ahead of the pilot, informed by claimants and frontline organisations – for example, no break in income and no exacerbation of financial duress.

We recognise that, as Neil Couling notes in his letter to the Committee (5 February 2019), the pilot will deal with relatively small numbers at a time. However, it is not clear why this precludes trialling some basic indicators of readiness, collated at interim points when sufficient numbers can be reported on.

Mr. Couling’s letter states that the department should not rush into exploring how to turn potential questions on readiness into something to measure and report on. Yet it is unclear how the suggested questions will be answered unless there is at least some sense of what should be monitored at the outset. Furthermore, readiness tests can be refined and may evolve as the iterative process of the pilot unfolds ahead of further scaling up.

Indeed, this is critical for two political commitments that have been made. First, an impact assessment prior to scaling up managed migration. This will not be meaningful unless it is clear what ‘good’ managed migration looks like. Second, further regulations will need to be passed in order to scale up managed migration. Given the significant concern around original managed migration plans, and lack of clarity regarding public reporting and scrutiny during the pilot, there is a risk that the same doubts will arise without some coherent evidence of outcomes and operational readiness from the pilot.

I hope this information is helpful; do get in touch if you have any further queries.

Kind regards,

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Trussell Trust