Rt Hon Frank Field MP  
Chair  
Work and Pensions Select Committee  
House of Commons  
London  
SW1A 0AA

25 March 2019

Dear Mr Field

Universal Credit: Managed Migration Pilot

Thank you for your letter of 14 March. As your letter correctly records we are in the midst of the design activity for the pilot working with around 70 different stakeholders on its design. We have held two national meetings with them, webinars and specific sessions looking at driving out the questions we will need to answer in design. We are now working with stakeholders on driving out solutions through the pilot.

Clearly there is a risk that providing too detailed a commentary on this work will undermine the co-design activity; I have observed some stakeholders are nervous fearing perhaps they may invite criticism of themselves for participating. So perhaps I might provide the Committee with a list of who is working with us in strictest confidence in acknowledgement of their concerns.

The "who knows me" concept is an illustration of the way we are working and the way proposals for the pilot emerge. Stakeholders told us that they had detailed knowledge of some claimants circumstances and had built up a level of trust, far in excess of the DWP's own relationships. They also reported, something shared with the committee too, a nervousness about stopping people's entitlements as part of the process and leaving claimants, many of whom will have distinct vulnerabilities, without a means of support.
I have told the Committee before that scare-mongering about UC is hitting the confidence of claimants and could make the managed migration a much more difficult process as a lack of engagement increases the risks of failure and benefit cessation. So looking at this feedback and through further work to test the appetite of stakeholders for playing a part we concluded that they might play a key role in activating and supporting claimants through the process, so people can make an application, which might dampen some of the fears and make the process more smooth for claimants and less risky as a consequence.

As I said to the Committee the next stage is to work out in Harrogate in detail how “who knows me” might work. We will start with JSA (and then other benefit) claimants whom the DWP know very well: we see them every two weeks, but last week’s announcement means we can engage with local housing associations, the council, unions and other local groups and develop proposals. We will try out those proposals later after the early DWP cases after the summer.

There are of course other areas of progress. The team working on the design and codification of Transitional Protection are well advanced and are on track to have an automated system in place by July, which we can then test with the first wave of claimants in Harrogate. There is parallel work going on communications: for example, we are testing whether we might provide more clarity over the process through using the term “move to UC” than “managed migration”.

Finally on pre-population, we have made progress with HMRC on reusing claimant’s identity data within our process. I am confident we will be able to test a prototype of this at some point during the pilot.

I hope to be able to update the Committee substantively on progress by the end of May and I will seek to do so then. One reflection though, as I drafted this reply, which I wonder if you share, is that we are developing our approach as we roll out the pilot - iterating from a set of concepts, developed in partnership with stakeholders. I have told my teams to concentrate on getting something that works for claimants rather than fit an arbitrary budget or timescale. This is a challenging task, that is imperative to get right. What this process doesn’t do is lend itself to test of readiness now.

One further thing I think the committee needs to know, as it has been the main driver behind some of the wider anxiety about move to UC. In the pilot I do not believe we need to take a case to the point of terminating their entitlement if they fail to engage with the process. I already have some rich data there from the move of 400000 live service cases onto the full service and we will publish that when the analysis is complete. Of course, as SSAC have pointed out, we do need the power to terminate a claim, but those cases are likely to come at the end of the process, when we have done everything we possibly can to engage and support. The experience of Live Service suggests these numbers will be small but we can get to that challenge much later. For now I want to emphasise our intent that claim closures in the pilot will only occur as UC entitlement is established.

In the Committee we had a good discussion about the caseloads of staff, and as the NAO reported our steady state assumption is a caseload of 919.
In January 2019 the average caseload per caseworker was 397 (at the time of the NAO report it was 154). Automation is driving that improvement as well as a changing caseload mix, indeed ultimately 90% of the ability to handle an increase comes from a shift in the caseload, today around 50% of cases are in full conditionality by steady state this will be 17%. Additionally, we also see the proportion of inflows, where the bulk of the effort lies, reduce from 12% today to 2% by 2024. But by way of an example for the Committee last year a non-automated process for cold weather payments meant each claim took 24 minutes by a case manager to clear. For this winter we automated the process, when a trigger is received, the payment is made automatically. So far this winter this has saved over 32,000 man hours of activity. This is just one example but it is why I remain confident, despite NAO scepticism, about our ability to reduce our costs without service failure.

For work coaches the average caseload in January 2019 was 179 claimants and is projected to rise to 283 (slightly more than the 250 number I tried to dredge from my memory in the hearing). The average caseload in Harrogate, a mature UC site is 150.

I hope this reply is helpful.

Yours Sincerely,

Neil Couling
Director General, Universal Credit Programme