



Department for Work & Pensions

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Rt Hon Frank Field MP
Chair, Work and Pensions Select Committee
House of Commons
London
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8 November 2018

Dear Frank

WORK AND PENSIONS SELECT COMMITTEE INQUIRY: MANAGED MIGRATION TO UNIVERSAL CREDIT

On 5 November, the Department laid the draft Managed Migration regulations in Parliament, alongside the report of the Social Security Advisory Committee (SSAC) and the Government's response to it.

I am therefore now writing to follow up on a number of points on which I agreed to provide more information to the Committee at the 18 October 2018 session, and as outlined in your letter of 24 October 2018.

- 1. The progress that the Department has made so far in establishing criteria to:**
 - **Assess its readiness to begin managed migration on a large scale;¹**
 - **Monitor and evaluate the progress of managed migration;²**
- 2. Your planned timetable for setting final criteria, including when you expect to be able to provide a set of draft criteria to the Committee and to other interested parties, including the National Audit Office;³**

The first recommendation of the SSAC report relates to these points.

The Government's response to the SSAC (attached at Annex 1) confirms that 'success criteria will be informed by the testing and agreed through Programme governance once the testing is complete. This will take into account a number of factors including operational readiness, efficiency of the service, key functionality being in place and ensuring we have processes in place to support vulnerable claimants'. We expect to set these criteria through the existing Universal Credit governance structure in 2020.

As detailed in the Government's response to SSAC, the Government will then undertake an assessment of operational readiness which, once complete, will be published.

3. The draft Regulations for managed migration, before they are laid before Parliament;⁴

My letter of 1 November 2018 refers to this point.

4. A note setting out the Department's position and work to date on repopulating Universal Credit applications with existing data used to calculate legacy benefit payments;⁵

The Government's response to SSAC's fourth recommendation responds to this point in detail.

It is important that a new claim is made to Universal Credit when a claimant moves onto the benefit. This will help to ensure that claimants' calculated entitlement is accurate, and also that they understand the new regime and consent to make a claim.

However, we will use existing decisions or verifications where these exist to make aspects of the process easier. The SSAC response gives some examples of where this may be possible. We will also continue to explore options for elements of pre-population.

5. A note setting out the scenarios in which claimants could lose their transitional protection;⁶

Transitional Protection, and its erosion is a longstanding feature of the benefit system. It is designed to protect the level of a household's award at the point of transfer. Therefore, it will not track previous existing benefit entitlement. In other words, it does not replicate legacy benefit entitlement in Universal Credit, but is designed to safeguard the claimants' household incomes at the point of managed migration, while, at the same time, allowing for managed migrated claimants to reach parity with new Universal Credit claimants in similar circumstances through erosion and cessation rules.

The rules for cessation will be as follows:

- a sustained (3 months) earnings drop below the Administrative Earnings Threshold where the claimant has moved into a more intensive conditionality regime; and/ or
- the formation or separation of a couple;
- the ending of the Universal Credit award. Where this was due to an increase in earnings and a new claim is made within 4 months of the Universal Credit award ending, the claimant will have their Transitional Protection re-awarded as part of their new award of Universal Credit.

While the Government believes it is right to protect claimants who are managed migrated, it also considers it appropriate to end Transitional Protection when the claimants' circumstances underlying the award are no longer recognisable to those on which the benefit calculation was made (i.e., it is no longer a like-for-like comparison). Again, this has been a long standing feature of the benefit system.

- 6. A note explaining why transitional protection may not be provided to those in temporary housing or those who have had their benefits capped. In the session you said that there were complex technical reasons for this. I would be grateful if you could please explain these reasons in detail;⁷**

The Department has always intended for people living in temporary and specified accommodation to have access to transitional protection. The draft regulations have been amended to allow people in temporary and specified accommodation to have access to transitional protection. Support for housing costs will be maintained through Housing Benefit and, therefore, will not be taken into consideration while determining an award of transitional protection.

When claimants are migrated to Universal Credit the comparison of total legacy benefit and Universal Credit will be calculated once the benefit cap has been applied to both amounts. The benefit cap rules continue to apply so Universal Credit claimants will not receive above the level of the benefit cap unless they meet one of the exemption criteria. Households who are exempt from the Benefit Cap will be unaffected.

- 7. During the session you stated that equality impact assessments “have been done at every point” in the evolution of UC.⁸ The last published assessment was in 2011-2012. Might you please confirm whether the Department plans to conduct any further EIAs, whether these assessments will be published, and the reasons for this decision?**

SSAC’s third recommendation relates to this point. The Department will publish an assessment of the impacts of managed migration prior to increasing the scaling of managed migration.

A handwritten signature in black ink, appearing to read 'Alok Sharma', with a stylized flourish below it.

**Alok Sharma MP
Minister of State for Employment**