



Work and Pensions Committee

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From the Chair

17 January 2019

Rt Hon Amber Rudd MP
Secretary of State
Department for Work and Pensions

Dear Amber

Re: *Universal Credit: managed migration* Government response

Many thanks for the Government's response to our report on *Managed migration* and your letter of 14 January, setting out the Department's revised approach to "managed migration" of claimants to Universal Credit.

As I mentioned in my letter of 11 January, it is encouraging that the Department has listened to concerns expressed by this Committee and others, and scaled back the Regulations. I was particularly pleased that the Department accepted our recommendation on only legislating for powers to carry out the "managed migration" pilot, rather than the entire exercise.

Given this, I was disappointed to find much of the Department's response unreflective of the recent constructive tone of our discussions. I would be very grateful if you would respond to the following queries.

The Regulations (Recommendation 1)

We concluded that the Department should not ask the House to vote on the Regulations until they had been subject to additional scrutiny. That is indeed what has happened: rather than a vote before Christmas, as the Government had originally planned, you laid revised legislation this week. Your decision was informed not only by the views of this Committee, but also by advice from the Social Security Advisory Committee and from the House of Lords Secondary Legislation Scrutiny Committee (Sub-committee B). All of this is a very welcome change of approach.

You can, therefore, imagine our surprise to read that the Government "does not accept this recommendation", given that by the time the response arrived the Government had not only accepted the recommendation but also implemented it.

1. *The new affirmative Regulations laid on 14 January need to be approved by the House. Might you please tell us when the House will be asked to make this decision?*
2. *Might you please clarify whether the response to Recommendation 1 was intended to be a rejection, and if so further explain the Department's reasoning?*

3. *Please will you explain how the Department intends to go about selecting participants for the pilot? For example, will it be representative of the UC caseload, or will it focus particularly on vulnerable claimants?*

Balance of risk (Recommendation 3)

We concluded that claimants subject to managed migration should not be required to make new claims for Universal Credit, and should have their forms pre-populated with data the Department already holds wherever possible.¹

The Department's response reiterated the reasons it had already given for why this cannot be accomplished. It did not offer—and has not offered during our inquiry—any evidence in support of these.

4. *Might you tell us about any preparatory or feasibility work the Department has undertaken on automatic transfers and pre-population since we last took evidence on 18 October?*

Run-ons (Recommendation 4 and 5)

The Department provides claimants with “run-on” payments of Housing Benefit. It intends to provide run-ons of JSA, ESA and Income Support for claimants migrating after the pilot ends, in 2020. The initial Regulations provided for the Department to make discretionary payments to claimants migrating during the pilot where these are necessary to avoid hardship. This provision is unchanged in the revised Regulations.²

The Department acknowledges, however, that discretionary payments “could” be used in the same way as run-ons during the pilot.

5. *Please could you explain how the Department currently envisages discretionary payments being used during the pilot?*
6. *If discretionary payments are not used to mimic run-ons during the pilot, or not used in this way for all claimants, how does the Department plan to assess the effectiveness of run-ons before migrating larger numbers of claimants?*
7. *Might you also set out how the Department will ensure that automation of run-on payments is working well prior to managed migration going to scale from 2020, if it will not test this during the pilot?*

We also recommended the Department publish a series of worked examples on how run-ons will work in practice for different groups of claimants. The Department neglected to respond to this recommendation.

8. *Might you please supply us with a set of worked examples illustrating how run-ons will work in practice, as recommended in our report?*

Transitional protection (Recommendations 8 and 9)

We agreed with SSAC that the Government's plans for the circumstances in which claimants would lose transitional protection could have unintended consequences. We recommended claimants should not lose their entitlement to transitional protection unless their earnings drop

¹ Para. 23-24

² Para. 31-32

above or below Universal Credit threshold for six consecutive months, rather than the current four.³

The Department “agreed to seek further evidence on this point”. It restated, however, that rules on transitional protection will remain unchanged during the pilot.

9. *Has consideration been given to testing different approaches to the cessation of transitional protection (for example, a six month drop or increase in income) during the pilot?*
 - a. *If not, is there a risk this might unduly limit what the Department can learn from the pilot about the impact of this policy on claimants?*

We also recommended the Government create exemptions to the rules on formation or separation of couples for some groups: for example, survivors of domestic abuse and people entitled to the Severe Disability Premium.⁴

The Department’s response reiterated the reasoning behind the “change of circumstances” rules in general. It did not engage with the specific exceptions and reasoning our report put forward: domestic violence survivors, and SDP claimants where one partner has died or gone into care.

10. *Please might you explain why, in the Department’s view, such difficult cases should not be exempt from the usual change of circumstance rules?*

Natural migration (Recommendation 10) and tests of readiness (Recommendation 11)

The Department declined to assess the impact of loss of income on claimants who migrate “naturally”, since “natural migration only occurs when a claimant has a change of circumstances”. Whether these “triggers” are appropriate is precisely what our conclusion and recommendation questioned.⁵

The Department also declined, again, to set tests that it will meet before managed migration begins. Given that we, the NAO and SSAC all made this recommendation, this continued resistance is very disappointing.⁶

The Committee intends to return to both of these issues in the coming weeks and months.

I would be very grateful for your response to the questions above as soon as possible.

With best wishes and I look forward to hearing from you,



Rt Hon Frank Field MP
Chair, Work and Pensions Committee

³ Para. 50

⁴ Para. 51-52

⁵ Para. 20

⁶ Para. 61