

Work and Pensions Committee

Oral evidence: Universal Credit: Managed Migration, HC 336

Thursday 18 October 2018

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Members present: Heidi Allen; Rosie Duffield; Ruth George; Steve McCabe; Nigel Mills; Chris Stephens.

In the absence of the Chair, Heidi Allen took the Chair

Questions 725 - 810

Witnesses

I: Alok Sharma MP, Minister for Employment, Department for Work and Pensions, and Neil Couling CBE, Director General, Universal Credit Programme, Department for Work and Pensions.

Examination of witnesses

Witnesses: Alok Sharma and Neil Couling.

Chair: Good morning everybody. Thank you for joining us. For one day only, I am going to be Frank Field, because Frank is not with us today. In particular, I thank Alok and Neil for coming at very short notice. Universal credit managed migration has suddenly taken over every news channel out there, so it seemed timely to have you come in here and give us your views before that debate gets too carried away. It is clearly an area that a lot of people are quite nervous about. We shall kick off with a question from Nigel.

Q725 **Nigel Mills:** Minister, before we run through what we are worried about, can you talk us through what you see as the biggest challenges or possible things that might go wrong with managed migration?

Alok Sharma: First, thank you for having us, Chair. We are always happy to come and speak to you guys. I suspect that over the coming months we will spend more time talking about this.

The first thing to say from our perspective is that we recognise that we need to get this right, particularly for those who are vulnerable. We have been engaging with some of the key stakeholders. I have had individual one-to-one meetings. Yesterday, Neil held a workshop with about 70 individuals from stakeholder groups. The Secretary of State has done a roundtable this morning. The aim going forward is to continue to be really engaged with key stakeholders, particularly those representing the vulnerable. That is my starting position. We have had the feedback from stakeholders. In the past couple of weeks, we have had the Social Security Advisory Committee's recommendations, and we are reviewing those. We will formally respond to those and people will see what it is that we have responded with as we lay the regulations.

From our perspective, we first need to ensure that the systems and processes work. We are doing that together, engaged with key stakeholders. As we have said, we will start the testing process—the test and learn, obviously in very low volumes—next year, with the aim of building up volumes from 2020. I do not know whether that gives you some sense of where we are on this, but—

Q726 **Nigel Mills:** I was just wondering, given that your head is on the ministerial block for this, whether there are any aspects of this migration that make you, personally, think, “Oh God, that’s the real risk that we need to watch out for,” or, “That’s something that we ought to tweak before we go ahead.” Is there anything that you are particularly worried about?

Alok Sharma: Is there anything in particular? As the Minister responsible, I want to make sure that as we do the testing on this, we learn from it and adapt, and that as part of the testing process we take the stakeholders



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with us before we get to any kind of volume. Before we move to volume, we will have the Infrastructure and Projects Authority do an independent review of our work before we push forward. From my perspective, the important thing is to make sure that we get all of that right. Frankly, Chair, I do not want to be sitting in front of you a year from now and having a discussion about how things have not gone as well as we would like. We are very keen to make sure that this works.

We have been moving people from live service to UC full service in recent months—in the last year, we have moved 185,000 people across. Of course, we have had some learnings from that migration, but I think it is fair to say that that has gone smoothly. Clearly we have not had—

Q727 Chair: Forgive me, Alok, but there is a big difference. Live service is essentially just a front end on the old system, but the people on it are still within the culture of the UC world, so you are moving them from one UC system across to another. It is quite different for people who may have had no regular contact with the DWP for years.

Alok Sharma: Sorry—I did not want to negate the importance of what we are doing in managed migration. I just wanted to give an example that shows that we are clear that we need to make sure that our processes work before we start. Clearly, you will want to do the same.

Neil Couling: The point is that we tested moving people over from the live service in very small numbers. We found that we had some problems with that, and we corrected for them when we moved to large numbers. We have tested the model of getting people to make a claim, but you are quite right, Chair, that the typical type of claimant that we are working with is very different from the kind of people we will be managed migrating in 2020 and beyond.

Alok Sharma: If I can describe it in terms of the processes we have in position now, as part of the testing and learning phase we will want to understand what the triggers that work are. Currently, the plan is to have a four to six-month warm-up phase before we formally start the migration process. Again, it is about engaging with stakeholders and seeing what works for different groups: is it written correspondence, is it text or is it home visits? All of that will be part of the testing phase. As I said, the key thing for me is to make sure that this works, particularly for those groups that we would identify as vulnerable.

Q728 Nigel Mills: Mr Couling, this is quite a big step, isn't it? These regulations that you are about to lay will mean moving millions of people to a system that currently has many fewer. What keeps you awake at night about this stage in the process?

Neil Couling: I think I am on record as saying to the Public Accounts Committee that this is probably the hardest bit to do. The good news is that we have this testing phase. As a Department, we are not presuming that we know all the answers. Part of what I was trying to do yesterday, and what the Secretary of State is doing this morning, is inviting people

with specific expertise about specific groups to come and give us their insight and help us to understand what we have to do.

I have also been very clear with certain organisations that we are in the market for some help here. One million of the people coming across are on tax credits. They are known to HMRC, but they may not be known to the DWP, so how can HMRC help? How can the housing associations help? How can local authorities help? This is a big task, and making sure that people do not stumble on the way is really important. There is nothing in our figuring or financing that assumes that we want anybody not to make the journey from their legacy benefits to universal credit. There are no prizes here for people not making that journey successfully.

Alok Sharma: Neil mentioned HMRC, which sits on the programme board for UC, so it is fully integrated into the design team. In terms of local authorities, the LGA has observer status on the programme board. The chief executive of a local authority—Islington, I believe—is a member of the programme board. I hope that gives you some sense that we are already engaged with stakeholders and we know that that will be absolutely key to making sure that this works. We are not underestimating the challenge.

Q729 **Nigel Mills:** It is a project that is already four years delayed from when it was meant to be fully rolled out, if I remember the original deadline correctly. Are you saying that this is the hardest bit, and that there are no particular bits of this that either of you are worried about, thinking, “If we had a bit more money we could do that this way, and if we had more time we could change this”? Is there nothing in particular that you are worried about?

Chair: I have some suggestions, which we will come to later.

Alok Sharma: I am sure you have, Chair, and we will be happy to respond to those. I would say, Nigel, that it is important to get all of this right, but we have always said that there will be a clear phase in which we test and we will make sure that we talk to stakeholders so that we get our processes absolutely right. There will clearly be an opportunity for us to come and explain those to you as we go along. Scrutiny comes from bodies like yours, but obviously, at the end of the day, the IPA is also making sure that the processes we have in place are going to work.

Q730 **Nigel Mills:** Is there nothing that you would change yourself?

Neil Couling: I have not yet decided exactly how we are going to approach the task. The test year is about understanding it, getting it right and refining it.

Q731 **Chair:** That is in 2019-20?

Neil Couling: That is in 2019. We have always said that 2019 would be a test year, and that there would be small numbers of cases—when we started in 2014 in Sutton, we started with 20 cases. We will start with very small volumes because it is easier both to observe what is going on and to make sure, if you have made a mess of things, that people are supported



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on this journey, because they are not lab rats. We can add that extra support to make sure that they get safely on to universal credit.

There is a host of things that I worry about in terms of getting that right, inside and outside the DWP. For all the public interest in universal credit, I am on record saying that I am worried that we are worrying people just on universal credit. This process will work best if people engage with us, and we need to create an environment in which they are happy to do so. That is why I hope to work as closely as possible with all the myriad lobby groups around to ask what the best way of doing this is. I believe that there will be different solutions for different sorts of groups. This is a very varied population in terms of its needs, and we will need to tailor approaches to get that right.

Chair: I would say that the biggest stakeholder that we need to get onside right now is the Chancellor.

Q732 **Chris Stephens:** Minister, you both talked about tests. To be clear, what tests will apply? There will obviously be two parts to this: there will be tests of the managed migration pilot and tests of the full roll-out. I have just heard that there will be testing, so what tests will take place that will prepare you to make a decision to proceed?

Alok Sharma: I am sure Neil will want to add some flavour to this, but from my perspective, it is first about making sure that we are co-designing the system together with those key stakeholders, and taking into account what they think is going to matter. As we do that, we will come up with a plan of how to interact with, potentially, different types of claimants, and ask, "What are the processes for engaging with people who may be deemed to be vulnerable, as opposed to people without those vulnerabilities?" When we come to the test phase, which will be later next year, we will aim to test all claimant and benefit types to ensure we have an understanding of how different sets of claimants will react. The volumes will be very low and the testing will be on a small number of jobcentres, as Neil said, and connected service centres, too. We have thought about doing that on a geographic basis or another basis, but currently we think on a geographic one.

Perhaps we are not being as prescriptive as you would like, but that is because—Neil can expand on this—in the past when we have done a roll-out on UC we have been incredibly prescriptive, and that has not allowed an opportunity to adapt to what key stakeholders may think and advise. That is why we are doing it in this particular manner. Do you want to add anything?

Neil Couling: That is a crucial point. Mr Stephens, did I understand that you asked about the kind of criteria we might use to judge when we are ready to go to volume? He's nodding, so I probably have that right.

Chair: Because the NAO have written quite a bit on that, too.

Neil Couling: In its report, the NAO recommends that we do that. We have done that at every phase of the programme; we have had a set of



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entry or exit criteria from the phase we are in, and on the bigger phases we had independent scrutiny to find out whether we are deluding ourselves and what it looks like to a bunch of other project professionals who have run similarly sized projects. I fully accept what the NAO says about having a set of criteria. I think it was inspired by what it saw in the programme; the NAO was rather impressed by the way in which the programme is managed. It made other criticisms that you will be familiar with, but in the report it offers some praise for the programme.

I fully envisage that we will have such criteria, and I would use the testing phase to judge what those criteria will be. I do not want to commit to them now. Universal credit has been going on for quite some time; I think one of the mistakes that was made in 2011, which Mr Mills alluded to, was that people got themselves locked into a plan but did not know if they could deliver it. I do not want to make that mistake again—we talk about learning the lessons of the past. We will set some criteria, but not now.

Q733 Chris Stephens: Minister, I think you said you would look at different groups. Would that include, for example, a claimant who has suffered domestic abuse? You will be aware that the Committee has held a previous inquiry. Would you look at the effects on certain individuals?

Alok Sharma: Yes. I emphasised that the key thing is to ensure we can identify people with vulnerabilities. A piece of work is going on and will accelerate in the Department, where we use our internal data to identify the particular vulnerabilities someone may have. That is on one side. In certain cases we may well have to engage with stakeholders too when we do not know whether someone is vulnerable.

The other side is how we then interact with different types of claimants. Very many people will hopefully have a smooth journey. For someone who is vulnerable, there may be no response to the initial contacts. The question will be of working with stakeholders to come up with what to do. Do we eventually go together with the trusted stakeholder and knock on someone's door, to ensure that we can get them on to the system and they do not suddenly fall out of it? All the feedback I have got from stakeholders is that making sure we get it right for vulnerable claimants will be really important in the process.

Chair: Which, of course, are a big chunk of those who are moving across.

Q734 Chris Stephens: Obviously, one of the other tests will be the Department's capacity to deliver. I asked you a question in the Chamber on Tuesday, Minister, and I was slightly surprised by your answer. The question was about the pressures on staff at the moment: having to deal with such a volume of phone calls that they do not have time to process online journals and claims. Will that also be a test? The concern of some of the Committee members is that if there are pressures on staff now to deliver on time, how will that affect managed migration?

Alok Sharma: You are absolutely right to raise a resourcing issue. Right now, if you look at the volumes we are taking on in UC, it is around 100,000 people a month. One of the issues that was identified in the NAO



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report was around whether, with the current capacity we have, we will be able to bring down cost per claim. That means, for people we have now, doing a bit more—

Chair: Going and knocking on doors isn't going to help with that.

Alok Sharma: Let me address that point. If you look at unit costs in March 2018, it was £699. Right now, in August 2018, that has come down to £545. We have always said that the mix of the caseload helps in terms of the number of cases that you can process. In October last year, 55% of the cases we were dealing with were people on full conditionality. That has now dropped to 45% and by the time we have migrated we expect that to be 17%. We think we have the resources at the moment. Having said that, part of the test and learn phase is that if we find that we need further resources, clearly we are going to have to address that.

Neil Couling: The question was, will it be a criterion? Almost certainly, and it was back in October 2017. In October 2017, we actually put an additional £51 million into the plans for that year, to cope with unforeseen pressures. When you make a decision, such as do you go to scale, you cannot know for certain. That had the effect of pushing the unit costs up, and I had criticism from the NAO for doing that, but I think it was the right decision because we have quintupled the number of people on the universal credit full service since then and performance has improved. Telephone handling times have come down.

Q735 **Chair:** Good service costs money, doesn't it?

Neil Couling: It does. We make judgments based on the circumstances we are faced with and we also constantly assess the capacity of our ability to respond. To answer Mr Stephens's question on telephony, currently the average is nine phone calls a day, taking an average of seven minutes each to handle. We are in the middle of implementing a new telephony service that allows you to be routed directly to your case manager if your phone number is registered with us. Some of the routing does not work if you ring up from a number that we don't recognise—a friend's phone, say. Those cases are going to the overflow telephony section and they are the ones probably giving you the feedback, Mr Stephens, of people getting lots of calls. We are rebalancing that system to make it work more effectively.

Q736 **Chris Stephens:** My concern is that staff who went to their trade union, that then sent a briefing to MPs, are saying that the length of the phone calls stopped them processing claims. That is a real concern now and going forward to the managed migration.

Neil Couling: Except that some of the phone calls may help them process the claim, because they may be able to answer a question that they may have asked a claimant, in furtherance of that claim. As I said, it is an average of seven minutes per call at the moment, with an average of nine calls. Until you asked that question I probably felt, crikey, I have not briefed the Minister to answer that one. We probably had not mentioned that to him before. We are not seeing, at a national level, that the calls are overwhelming our processing teams, but that does not mean that in a



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processing team they might not be getting more calls. On an average basis, across the whole operation—12,000 staff or so—that is the position.

Q737 Chris Stephens: And that is the latest figure?

Neil Couling: That is the last figure I have seen. It may be from three or four weeks ago.

Chair: I have a couple of questions on criteria, but let's have a quick word from Steve.

Q738 Steve McCabe: I agree with you, Minister. I think that identifying vulnerable people will be crucial. I just wondered what is going to be acceptable. Will a councillor be able to phone up the Department and say, "I know this person"? What about a social worker, an MP, or someone from Mind? What are you going to accept as "I know this person is vulnerable and they won't be able to comply with your conventional processes"?

Alok Sharma: That is exactly what we plan to work out during the test and learn phase. We are open to suggestions; we have started the dialogue. I have met Mind and various other people from these groups in the past couple of weeks, and that is precisely what we will try to establish: who is it? Who is the trusted party who can make a judgment, based on the interaction they have had with the individual, that somebody is vulnerable, and what that vulnerability may be?

Q739 Steve McCabe: When do you hope to have clarified that, Minister? What is the deadline for knowing? Obviously, we all want to know so that we give the right advice to people. When do you expect the deadline for having clarified that to be?

Alok Sharma: I would like to think that we will have made some pretty good progress by the time we start the process of testing people in that very low volume in the system. I don't want to upset Neil here, but I would hope in the first half of 2019. That is exactly the sort of thing that we will be establishing.

Steve McCabe: The first half of 2019. Thank you.

Q740 Ruth George: I think a huge number of voluntary organisations will be very pleased to hear that you are looking again at assumed consent, because that has been a very big issue in the whole of universal credit, so it is good to hear you are aware of that. You also acknowledged, Minister, that conditionality plays a key part in how efficient the system is, and obviously—as your recent report showed—in-work conditionality is far more difficult to implement than out-of-work conditionality.

I think Neil gave an assurance to Unison that in-work conditionality would not be proceeded with when DWP starts to move people across from legacy benefits to universal credit. I had that in writing. It would be really good to receive the Minister's assurance that in-work conditionality will not be looked at at the same time as managed migration, because the two will obviously impact on work coaches and workload, as well as



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individuals.

Neil Couling: We do not do in-work conditionality at the moment.

Q741 **Ruth George:** So the pilot has finished?

Neil Couling: Yes, the pilot has finished. We have some other piloting activity going on, but in the standard universal credit full-service offer at the moment, there is no in-work conditionality. What I said to Unison was, ergo, there will be no in-work conditionality in managed migration. Should the tests produce something that we want to implement, then later down the line, you might envisage the two intersecting, but right now, we have no plans to use in-work conditionality around managed migration.

I think we have talked about this in the Committee before, and certainly with the Chair—maybe it was before the 2017 election; I cannot remember exactly now—but nobody is doing this across the world, so we are doing a proper evaluation of some tests that we are doing here. Only when all of that is complete will we know whether it is worth investing in in-work support in that sort of regard. I do not envisage it being part of the managed migration exercise, and that is what I said to Unison.

Q742 **Ruth George:** You said there are little bits of work going on at the moment. Could you just confirm to the Committee—maybe not now—how many claimants are subject to those little bits of work?

Neil Couling: I think there was about £7 million allocated in the last Budget for some testing activity for the next four years.

Alok Sharma: It's £8 million.

Neil Couling: Thank you. It is small beer. It is a small test, but we will happily give you a note about that.

Ruth George: That would be helpful, because I suspect individual cases will come to MPs if there are particular stick, rather than carrot, approaches being used.

Q743 **Chair:** Thank you. Before we move on to the migration process, I just want to nail down a bit more about these criteria we have been talking about. In my head, as a businessperson, I would expect to see a whole list of KPIs, criteria—whatever you want to call it—for internal measures, such as how long calls are taking, work coach workload, number of vulnerable claimants per work coach. There could be a whole host of things. There would also be external ones, which is more what we have been talking about so far this morning, in terms of showing the system's preparedness for big volumes coming on—so the customer experience and percentage of claims paid on time, for example. The NAO, as we have touched on, has not done it for you, but has given some indications of what sort of criteria they would be looking for.

Do you accept that those two levels of KPIs or criteria would be useful? Do you plan to work on them? The NAO has pushed quite hard on that around transparency. Would bodies like this Select Committee, SSAC and



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the NAO, for example, get to see them before they are finally agreed?

Alok Sharma: You are absolutely right that we will have to have some metrics. Particularly in terms of decision to expand, we will have to make sure that, operationally, we can tick the box for operational readiness, efficiency of the service and being able to support vulnerable claimants and making sure that the functionality is in place.

Q744 **Chair:** The cost per claim probably needs to be in there as well.

Alok Sharma: In terms of determining what the precise metrics are, that will to a certain extent come out of the testing phase as well.

Q745 **Chair:** Presumably you should have some already for the existing system.

Alok Sharma: Yes, we do. We will have things like payment time limits and others, which are already there. What is going to be important is making sure that we learn from this test phase. There may be additional metrics that we think, "Actually, this is quite important, particularly given the cohort of people that we are moving across." I would certainly be happy to come and talk about those with the Committee in the future.

Neil Couling: The Committee has seen our previous set for October 2017 via the IPA reports. We work in that way. The thing I am trying to avoid doing is setting them all now when I don't know. I don't know enough yet about, for example, what the cost of a managed migration claim might be.

Q746 **Chair:** You need to work out your plan, don't you?

Neil Couling: We need to work that out, because we need to work out the support that claimants are going to need. I want to try to judge that in the test phase before I go hard and fast on it.

In terms of the areas we have explored, yes—we have talked about this already today—there will be costs. There will be things like, are you dealing with vulnerable claimants successfully? I think that will probably not be the case for payment timeliness, because the way that managed migration will work is that we have got to get the payment in place, so we need to 100% on that one.

Chair: Would you both commit to coming back to us with what sorts of things you are considering as criteria? Essentially, it is about us and claimants and the stakeholders that work with them having a comfort blanket where we can say, "Yes, they've done this and they've done this; the system can handle big migration." I don't think anybody feels that yet.

Alok Sharma: Of course, we are happy to do that.

Q747 **Chair:** Can we and the NAO be part of that criteria setting?

Alok Sharma: We will, of course, come back to you. The only thing I would ask is that you give us a little bit of time to start that engagement process with stakeholders properly so that rather than come to you with something very general, we can actually start that discussion and later

next year we can then have that discussion around metrics. Are you okay with that, Neil?

Neil Couling: Yes.

Chair: Okay. Steve, you are itching.

Q748 **Steve McCabe:** I was surprised listening to Mr Couling. I accept the Minister has come to this after it has been through a number of hands, but I was very surprised to hear you say, "I haven't worked out any of the costings yet." I would have thought if I was in charge of a big programme that I knew was going to eventually migrate to include everyone, I would have been working out costings at a very early stage. They might have been very provisional and they might have been subject to a lot of revision, but I would have expected that to be basic. I don't know what happens in the business that you do, Chair, but I would have thought that that was a starting point.

Neil Couling: Let me clarify that, because you misunderstood, Mr McCabe. I have a core costing line inside the universal credit plan. You can overemphasise the impact of managed migration on the task of rolling out universal credit. In any one month, 24% is the maximum of the flow coming into the operational organisation. I was saying, around those central costs, that I actually want to know the real costs, so I have estimated them. However, it would be pointless to set a criterion at that level right now until I have worked with some of these groups to understand what it will actually cost to bring people over.

Q749 **Steve McCabe:** Is it possible to see the estimates, so that we can all see how you are progressing?

Neil Couling: It is in the NAO report. It says what the unit cost needs to be by the end of the roll-out period.

Q750 **Steve McCabe:** For things like a face-to-face interview or a home visit?

Neil Couling: It is not broken down like that. It is set out in an overall unit cost figure.

Q751 **Chair:** You have a load of money to spend to get x million people across.

Neil Couling: Yes. I might need more or I might need less, and some groups might be easier or harder to do than we envisaged. They are central estimates right now. I have never overspent on the programme in any of the four years I have been running it, and I have found that there is enough play within the figuring to be able to do the right things, such as putting extra money into operations than I had planned for last year, and still balance the books.

I am reasonably confident that I will be able to do that, but before I set and publish criteria, and people start saying, "You're off here", I want to be sure that I am setting the right kind of costs. That is all I was saying, Mr McCabe. I am sorry if that wasn't clear.

Q752 **Nigel Mills:** I think Mr Couling offered us a 100% benefit timeliness



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target. That seems quite a good one to accept.

Neil Couling: The way in which timeliness is understood now and the way in which it will work for managed migration are completely different concepts. We are moving people who have an existing flow of benefit income on to a new flow of benefit income. That has to be in place for that to work. It is pointless for me to say that it has to be 90%. That would mean a 10% fail rate, which would be absolutely awful for some of these groups. Payment timeliness is different from what everybody currently assumes.

Nigel Mills: Except you are not moving them, are you? Strictly, you are ceasing one claim and inviting them to start a new one.

Q753 **Chair:** And there will be a gap.

Neil Couling: No, not necessarily. In the way in which we handle the process—this is what we are talking to some of the stakeholder groups about now—before terminating someone's legacy entitlement, you can do a lot of work to make sure that they are ready to jump off into the UC world. You can then catch them and take them on that journey. That is what we are trying to do.

There is lots of focus at the moment on what happens when people switch off. My focus is on before that, and making sure that that goes well, because that is the place to get this right. Once someone has switched off, the organisation or individual or whatever will be under a lot of pressure, so that initial phase is critical. I think that is being a bit lost in the debate at the moment.

Q754 **Nigel Mills:** I am intrigued by that. Let us take a tax credit claimant with no special vulnerabilities. Their engagement with the existing system will be the annual claim that they have to make. Are you really suggesting that, if you write to them to say that their tax credits will cease at the end of October and that they will need to apply for UC, and that, so long as they do that by the start of October, there will not be a gap? I cannot envisage that you will spend money on going around and knocking on their door if they forget to make that application. At some point, you will just say, "Look, you haven't done what we asked you to. Sorry, but that one is stopping. It is now up to you to make the claim when you want it."

Neil Couling: One reason that we have HMRC embedded with us is that they have a lot of experience of doing this every year, because a large number of people do not renew. They have to run around chasing people to get them to renew, or picking up the pieces because there is a gap in their tax credits. We are trying to take that learning into the programme and we are looking at what we can do to make sure that that doesn't happen.

We also have the problem of recognition with tax credit claimants. A number of them do not recognise that they are on a form of benefit; so far as they are concerned, they are customers of HMRC—strictly speaking they are—so they don't recognise the DWP. There is a process to design

and work through with HMRC about the best way to bring tax credit claimants over to universal credit.

Q755 Rosie Duffield: Can I just come in on managed migration? You talk a lot about the stakeholders that you work with. Is one of them the Disability Benefits Consortium?

Neil Couling: Yes.

Q756 Rosie Duffield: For those who do not know, that is a collection of around 80 different disability and mental health charities—Leonard Cheshire, the Royal British Legion, the Trussell Trust—and one point in the briefing they sent us says, “Managed migration is an extremely misleading phrase. Under draft regulations, claimants will receive a letter saying that their current benefits will cease after a month and during that time they will then need to make a new universal credit online application.” That is exactly what we have just been talking about. They are saying that because of people’s disabilities, they may not have any way of doing that, so they say that managed migration is a misleading phrase. How would you square that circle?

Alok Sharma: Let me start and then Neil can address it in more detail. I don’t think the intention is to mislead. Managed migration is a phrase that we have chosen. In terms of how it will work, for everyone, what is obviously not going to happen is that suddenly the first thing they hear about having to move to universal credit is a letter that comes through the door. There is a four to six month period of effectively warming people up, either through the media or some sort of orientation literature that is sent to them. The intention is not that suddenly you start the process and within a month it is all done and dusted. There will clearly be a process.

What we have said is that, obviously, when you send them the letter saying, “Please now make your claim,” they will get reminders after that. It could be that, where we have people’s contact details, we send them an SMS message to their phone. Let me just assure you, on this point about people with vulnerabilities, that precisely what we want to ensure is that if somebody has not responded to us, we have hopefully already identified them, based on the information we have internally but also on the conversations that we have, going back to the point that Chris and Steve were making about who is a party who can identify somebody as having a vulnerability. Having identified those individuals, that is the point at which we have another set of exercises that we have to do.

I want to be absolutely clear about this: what the regs do not say is, “You have a month and then that’s it, it’s all turned off.” What it says is “a minimum of a month”. We can extend the period that somebody has before they make their claim. Is there anything I have said that is inaccurate?

Neil Couling: Echoing the explanation I tried to give earlier, groups out there such as the Disability Benefits Consortium are assuming that, when we get to the end of a process, we switch off people’s benefits. We have not said we will do that. The work we are doing at the moment is what you



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do at that crisis point where the claimant has not responded to various attempts. What do we know about that claimant at that point? What do other people know about that claimant? What should we then do? It does not follow—

Chair: It sounds wonderful, but you cannot tailor that to individual people.

Q757 **Rosie Duffield:** We were talking yesterday about carers who may not be in the system—long-term carers who may not have reclaimed for a long time. How do they pick up that they even need to contact you?

Neil Couling: Exactly. We are mixing up a number of things here. How do we orientate people and get to those who can self-serve and work their way through the process and proceed through that, mainly fine or maybe with a little bit of support, and how will we get to those who ignore the letters or stick them behind the metaphorical clock on the mantelpiece and just don't respond? What we are not in the market for doing is just switching off people's entitlement after three goes—two letters and that's it. That is what we are talking to various groups such as the Disability Benefits Consortium about. What is the best thing to do then? What is the best way to act? I think people have read the regulations and not realised that, with the regulations, there are a bunch of processes and there is something about how we develop the wider environment that is supporting people here. For example, one of the things that I am exploring with some of the housing associations is that they know their tenants, so could they help in this process with the orientation and making sure that people know, when the letter comes, to start to engage with us and work it through, and support them along the way?

A number of housing associations already do this. If you have ever talked to Curo, they already have a team that supports their tenants through the journey on universal credit. That is the kind of thing we are exploring, but the mistake to make in reading the regulations is that somehow, at this point in time, it is all switched off.

That would be a disaster for the claimant, and it would also be a disaster for the DWP, because those claimants will all appear two weeks later saying, "I have not had my money. I am in terrible distress." The hardest thing to do in benefits administration—that is where I started my professional life—is to put people's money back in payment. It is labour intensive, they are a bit traumatised, and you are dashing around trying to fix everything. That is not the world that we are trying to build into.

Q758 **Chair:** I suppose the difficulty is, because it is such a vast task—you do not need us to tell you that—and there are so many vulnerable people involved, the fact that the regs are currently very stark and light on detail leads people like us to have a million and one "What if?" questions.

Neil Couling: I am not moaning about the questions at all—these are all very legitimate questions, as I said to the groups yesterday. We started the day with the Department listening to them, rather than us telling them what was going to be going on. The point here is: yes, it is a large number



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of people, but at maximum it is about 65,000 or 75,000 a month. I am already doing 100,000 a month on universal credit full service. Those flows will increase as we complete the roll-out—we are about 80% rolled-out now.

Q759 Chair: But as we said earlier they are a different kind of claimant.

Neil Couling: Yes, they are different, absolutely, but they are not as time-pressured as a new claim. A new claim is where we have the timeliness standards—they have not got any money in payment. These claimants have money in payment, so we have time to get it right. We can intercept the process at any point. There are bits of the report—I was showing a chart to yesterday's groups with red for the bits you cannot move, but there is more green on the report where you have choices and the opportunity to flex the system.

Q760 Chair: And presumably that is why the migration period has lengthened, because there will be a bulk that you expect to go across dead easy, finished, job done, and others who will need much more manual intervention when the three letters have not worked or whatever and you are approaching it with a more individual approach. Is that partly why the length of migration is so much longer?

Alok Sharma: What we have always said is that the migration period will take place from 2019 to 2023, which is still the expectation, but we always say, and we say this in all statements about universal credit, that we want to make sure that the process works at the right pace. The intention right now—we are looking out five years from now—is that the migration process will take place from 2019 to 2023, starting the testing of very low volumes from the middle of next year.

Q761 Ruth George: Moving on, you were saying that at the moment the regulations are in a very draft form. Obviously, we are looking forward to seeing the SSAC report and your response. Will the Committee get the opportunity to scrutinise those documents before the regulations are laid, please, Minister? That would hopefully put some of our minds at rest that all the issues that we are raising now have been looked at.

Alok Sharma: Our intention right now is that—the Social Security Advisory Committee has spent a lot of time looking at this. They have also taken evidence from a large number of people. One of the discussions that I had with the Chair very briefly yesterday was that, in a way, some of the points that you are raising we are very much thinking about, and what I do not want to say is precisely where that thinking is right now, because I would rather we come to an informed view when we respond to the Social Security Advisory Committee.

Q762 Chair: Put it this way: nothing that we are saying is surprising to you.

Alok Sharma: I don't think so far we have heard anything that others have not said. In fact, you are reflecting some of what stakeholders are quite rightly saying to you. From our perspective, we probably have a pretty good understanding of where stakeholders and the Social Security Advisory Committee are. The response we give will be the response we

give to them. We will have a debate on this in Parliament and there will be a vote, so there will be an opportunity to comment. But in the timetable right now we do not envisage a further scrutiny process because, as far as I am concerned, the Social Security Advisory Committee has done that for a period of months.

Q763 Chair: I would echo Ruth's view. I don't know whose decision it is, but in the spirit of genuine partnership and trying to navigate this incredibly tricky landscape together, if there were an opportunity for that, as a critical friend, I suppose, like SSAC—

Ruth George: Which is what we are here for.

Chair: Then if it were possible, that would be appreciated.

Alok Sharma: We are happy to take that back.

Chair: You can only ask the question.

Q764 Nigel Mills: What happens if some advisers or some claimants get the feeling that they will be worse off on universal credit, so they actively decide to delay applying? If you are saying that we will never stop the legacy benefit until they have actually applied, you might find that some people think that the best thing for them—probably foolishly—is just not to apply.

Chair: There are websites out there that tell you which you are better on.

Nigel Mills: What do you do in those situations where you have active non-compliance rather than just mistaken or vulnerable non-compliance?

Alok Sharma: If you are currently on benefits and are moving across, you will obviously get your transitional protection—that is the whole point of this. Part of it is also about explaining what that means to people. There is a lot of noise out there around universal credit. It would not be good for people to misunderstand what it meant, so we need to explain to them, "You will not lose out as a result of this move." That is something that we will work on together with the stakeholders. I hope that will ensure that people say, "Well, okay then, I can move across."

Q765 Nigel Mills: The risk is that you say, "We will never actually stop someone's legacy benefit," and they say, "Great, I will just never apply for the new one then," and then you end up in a strange stand-off of people being advised or choosing not to engage.

Neil Couling: That is to paraphrase what I said, but it is not exactly what I said. We are trying to get to a point where before you make that decision, you are absolutely certain that this is not a vulnerable person and so forth. The other thing is that there will be a very small number of people who will not want to claim. They may have a very small entitlement to tax credits and they may not want to come across. We cannot make people claim. The reason we have a claiming process is to fulfil the requirement under law that people make a claim. In general, we have said



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to some of the lobby groups that we are open to suggestions around this issue.

Q766 Chair: You almost need a logic gate plan for every type of claimant—if this happens after three weeks or if that happens after four weeks, do this or do that. Presumably that is the sort of detail you will pull together.

Neil Couling: I agree with you in a planning sense. I would be nervous about putting that into an organisation, because I worry that you will build a “computer says no” approach, which says, “If you fail to do x, y and z, this is what I will do.”

Chair: But discretion does not always work either.

Neil Couling: No, but I would rather have the reassurance that there was some discretion and thought going into what is quite a big decision in that space than a checklist approach. I agree that in the planning sense you need those decision trees, but you have to be very careful, especially with big organisations. It is the equivalent of saying, “The operation was perfect, but the patient died.” We have to avoid building that mentality.

Q767 Chair: But it is a balance of both, isn't it?

Neil Couling: I agree.

Q768 Chair: As I said yesterday in the Chamber, I still do not understand why we are not even trying—if you are, it is not being publicly shared—some kind of automated migration of data. I find that mind-boggling. Maybe not even for all claimant types—perhaps HMRC data flows are too tricky, because they are not DWP-owned—but I can't believe that we cannot do it for any population.

Alok Sharma: This is something we are giving some thought to at the moment. Neil might want to say more, if he is able to at this stage. The limitations are that the information we need for universal credit will be more than the information currently contained in claims for these individual benefits. To give you one example, there will be a capital limit—there is a one-year disregard, but there will be a capital limit. That is not currently within the tax credit system.

The other thing we are a little wary of is the fact that we effectively tried, as a Department, doing prepopulation when we moved people on to employment and support allowance from incapacity benefit. We see now the result of that, in the sense that people were underpaid their benefits. That is obviously something we are putting right now. We would rather try to get it right at the beginning than get into a situation where we have partial information, start paying out to people and suddenly find we have actually underpaid people. A stat that has been used quite a lot in the House is the £2.4 billion of underpayments we have currently. I certainly would not want to be in a situation where we were suddenly doing some big-leap exercise because we were found to have underpaid a whole number of people.

Do you want to expand on that, Neil?



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Neil Couling: Just to say that prepopulation was at the heart of the problem with IB to ESA, on which there was an urgent question this morning. The Chair asked yesterday for the Department to learn the lessons for universal credit. We are trying to learn the lessons, but we are actively looking at whether we can reuse some of the information. If you think about the challenge of proving your identity, a bunch of HMRC claimants and DWP claimants have already proved their identity, so do we need to put them through that bit of the identity process? Can we do that for them? We are looking at that, and we will exploit opportunities as we see them, but the fundamental problem with IB and ESA was that we prepopulated people's claims and made an assumption based on the evidence we had that they did not have entitlement to income-related benefits. That is what caused the mass underpayments there and the complex exercise to—

Q769 **Chair:** Does that say as much about the complexity of the old system?

Neil Couling: Yes, it does. There are 700,000 people who will get around £2.4 billion extra through take-up. Unless we gather the information from them to allow us to judge the claim properly, we will not get those take-up effects.

Q770 **Chair:** Is the Government's data management so poor that we cannot pull all the data together with someone's national insurance number, even if the systems are different?

Neil Couling: Some of these systems were built in the 1970s and 1980s. The tax credit system, as you may know given the trials and tribulations of that reform, is effectively a shrink-wrapped computer system—it is not easily adaptable to extract that kind of data. We are looking at ways. I do not think people arguing for prepopulation have the wrong sentiment at all, and I said that to the groups yesterday, but the practicalities—

Q771 **Chair:** But you really do not want to be writing letters to the group of people with terminal illnesses, for example.

Neil Couling: I was going to say this in response to an earlier question. I mentioned we had moved 185,000 people over from the live service. There are three people currently in medically induced comas, so we clearly cannot move them across using our existing processes. There will be those sorts of cases here. Already, through the DS1500 process, people may not know they are terminally ill, but we may know they are terminally ill. There is some bespoke stuff we will do around some forms of prepopulation. However, in response to the general question, "Can you prepopulate?" which the Disability Benefits Consortium—Ms Duffield may know this—and others have asked us, I do not think that is a practical feasibility, nor do I think it is desirable, given the implications it could have for take-up. We could recreate the IB to ESA problem if we are not careful here.

Q772 **Chair:** I would personally like to feel that I had exhausted that question about prepopulation. You must have done a significant amount of work already, looking at the original data, to see what is and what is not



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possible. Could you share that with the Committee? I can imagine the very old, clunky systems, but I am still a bit unconvinced that we cannot do something. What claimant types might you be able to do something with? You have obviously thought, "Well, those have got no hope—that data we can't touch. That has to be manual. But maybe we could do those." I'd just like to get a sense of—

Neil Couling: I am working on the art of the possible here, so I won't be able to tell you exactly yet where we've concluded. However, in terms of our strategic decision—"Could you prepopulate or not?"—I can certainly let you have some information around that.

Q773 **Chair:** Thank you. I appreciate that.

Nigel probably has a big question about the run-on of benefits; we are leading into that, actually.

Q774 **Nigel Mills:** We saw some fascinating papers this week, suggesting that you were thinking of extending the run-on of housing benefit to further benefits. Is that something you are considering or willing to do, perhaps especially for ESA?

Alok Sharma: Nigel, obviously there has been quite a lot of speculation around all of this stuff. I said this in the House on Tuesday; I will just repeat that what I don't think will be helpful is if I, as a Minister in this Department, start speculating on speculation. I think—

Q775 **Nigel Mills:** It is a question of principle, rather than speculation. Would you think that adding a couple more run-ons into the system would be a helpful way of smoothing the transition?

Alok Sharma: The speculation has been around what may or may not be in the Budget; I don't think it would be helpful for me to start commenting on any of that. What I can say to you is that in last year's Budget we had that £1.5 billion and that contained two weeks of run-on. However, as for going forward, we don't have long to wait in terms of what may or may not be in the Budget, but I really wouldn't want to speculate.

I genuinely think—Heidi alluded to this—that this is a decision for the Chancellor and the Prime Minister, in terms of any matters for any Department related to budgetary issues.

Q776 **Chair:** Which presumably means that the idea of run-on is not built into your budget already. That would be an extra new thing for you to be able to afford to do.

Don't ever play poker, Alok. *[Laughter.]*

Alok Sharma: I know you're trying very hard, Chair, to draw me to say something, but let's just—

Chair: Let's wait and see; Christmas is coming.

Shall we move on to Rosie, who has some more general questions about the transitional protection to make sure that nobody loses out as they



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move across?

Q777 Rosie Duffield: What support have you made available to claimants as their migration deadline day approaches? We know that if they miss any of their deadline days and don't respond to letters they will lose their transitional protection. How can we make sure that doesn't happen?

Neil Couling: I have answered some of this previously, in terms of the work that we want to do to make sure that doesn't happen. If we terminate your legacy benefit and you don't have a good reason, and very narrow reasons, to backdate, you will lose the chance of transitional protection, which is why we want to put all the effort that I was talking about into making sure that doesn't happen.

After the fact is no use to anybody here—we've got to try and get in front of this and make sure that doesn't happen. We want to pay the transitional protection; it's worth about £3.1 billion over this period. And as I said, I win no prizes for not spending that money.

Q778 Chair: This is not a budgetary question, because we can always ask for more from the Chancellor; this is about process. Do you feel comfortable that you have identified every claimant type and every allowance type that might need protecting? The reason I ask is that, for example, in the regulations currently there is severe disability payment. It is very loud and proud; it's in there, yet that's being protected as we go across. But what happened to EDP? What happened to lower disability rate and child disability rate—things like that? Do you feel that you have definitely picked everything up?

Neil Couling: The way in which we have constructed how transitional protection will work—if you can bear with me for a minute here—is that we look at the legacy entitlements, which may come from a number of sources. We take the total of all the benefits and tax credits that are being replaced by universal credit—let us say that was £1,000 in a calendar month—and then we do a notional entitlement to universal credit. Say that is £900, then transitional protection would be £100. We then take that, like any other element in universal credit, into that gross entitlement, and that then features in that gross entitlement. That is how we achieve the commitment to not be on any less when you move on to universal credit.

Now, it is slightly complicated, because you have earnings in this calculation for many of the people here, so we are taking the earnings figure from the legacy entitlement and using that when we calculate the notional universal credit entitlement. It is to the claimant's advantage that we do that, so that we are not saying, "We've got a new piece of information. Your earnings have moved. Therefore, your UC entitlement this month will be lower, but that's just because of your earnings." We take the thing that is advantageous to the claimant in all of this. It is a bit complicated to explain without whiteboards and the like, but it works to the claimant's advantage to use the old information and the old entitlement, and to say, "Well, that was your entitlement. This is your notional universal credit entitlement on the same information." That is the difference, and that is what we will pay.



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Q779 **Chair:** So that then stays, and then your UC, your earnings—that bit—

Neil Couling: Yes, it basically adds a top-up to your universal credit. Your work allowance then works across the top of that, and then your taper rate. You are tapered from your transitional protection-protected amount.

Q780 **Chair:** I have one slightly cheeky question; sorry, but I cannot help it. If we know that the person used to receive £1,000 because this, this and this all added up, and that is what it was, and the brave new world is £900, so we need to top them up, that suggests you do know the data and how much they were receiving, and what benefits they were on. That suggests you do have access to data for this.

Neil Couling: No, I have to build this. Before we can move to test, I have to build the transitional protection engine to calculate this, and I have to work out how—

Q781 **Chair:** But to be able to calculate it, you need to know what is coming across from the old world. I am going back to the data and the prepopulation question. If you know the data to be able to calculate the transitional protection, why can't you use that data for that?

Neil Couling: The data piece I am getting is, "What's the entitlement coming across?" It is not the condition of that entitlement. It is not, "Why did you get this bit or that bit?" I am taking a gross entitlement amount of tax credits.

Q782 **Chair:** So it is just a chunk of money.

Neil Couling: Yes, I am just taking the gross entitlement. I am not taking data around the nature of the claim—so if there were a disabled child in the home, or not. I am not taking that piece of information.

Chair: So it is just a lump of money.

Neil Couling: And remember, I have to do this from the local authority for housing benefit, from HMRC, and from the legacy DWP systems as well.

Q783 **Rosie Duffield:** I, for example, was on tax credits, and I had to ring every July and update them. How will this work for someone working in the gig economy, who probably has a different income each month? Is the onus on them to phone universal credit every month? I am trying to understand how that works.

Neil Couling: For universal credit, if they are in the gig economy and paying tax through HMRC, that is where the real-time earnings information comes through to us.

Q784 **Rosie Duffield:** So you will be that quick to react? It used to take me a year to get my claim sorted, and it was always reactionary.

Neil Couling: Yes. That is what UC does.

Q785 **Ruth George:** On that issue of transitional protection and earnings, you are saying it is beneficial to claimants. That is obviously the case only if



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their earnings are rising, and therefore you are taking a lower figure that will then rise. Because claimants' income changes from month to month—particularly in retail, which is a large proportion of the people who will be affected by universal credit—if you make that calculation of income in November/December when they are on a lot of overtime, it will be very different from what they are on January to March.

Neil Couling: No. I may not have explained this clearly enough; I probably went too quickly at the end. Effectively, as Ms Duffield spotted, we are taking what the tax credit earnings information is. We are not going to the claimant and saying, "What did you earn this month?" We are taking that tax credit data, which is not disadvantageous to the claimant if they have variable earnings. If their earnings went up in the next month they would get the tapered effect on UC, and if their earnings went down they would get the UC adjustment, but their transitional protection would not move.

Q786 **Ruth George:** So it will be based on the average.

Neil Couling: No, the transitional protection is based on that point in time. Effectively, we are imagining a world in which nothing changed in the next month. We are trying to get an equilibrium between the old system and the new, and that is how we have designed it.

Ruth George: Okay—thank you. Transitional protection is obviously going to be incredibly important, because otherwise people are going to see huge drops in their income, as the Secretary of State has highlighted.

Chair: Unless we get a good Budget.

Q787 **Ruth George:** That is what I was going to ask the Minister. Obviously a huge amount of concern was raised on both sides of the House yesterday about those huge drops in income. The Committee was very concerned that the permanent secretary came to us yesterday morning and said that he was not sending the Secretary of State to the Chancellor with any requests for additional funding. That obviously has a huge impact on universal credit and the sort of claimants that we are looking to protect. Can the Minister give us some assurance that the situation is much more fluid than that, and that Ministers are taking account of views on both sides of the House about the huge amount that people are set to lose under universal credit?

Alok Sharma: Once again, I think we are verging into Budget territory—I am sorry; I know that I am not being as helpful as you would like.

Ruth George: I am asking if you are listening.

Alok Sharma: We have had submissions from people and we will be responding to the Social Security Advisory Committee.

Q788 **Ruth George:** That is on the regs, not on the actual amounts.

Alok Sharma: Part of this whole process has been about listening to what people are saying, so let us just see what comes forth or not.



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I just want to go back to the point about the TP calculator. What I would like to offer—if you are happy with this, Chair—is to fix an appropriate time to bring you into the Department and explain precisely how the whole TP calculator process works. That might be quite an interesting and useful thing to do anyway, to give you some comfort.

Chair: That sounds like a good idea. Thank you.

Q789 **Ruth George:** Thank you. As you said earlier—to be fair, Ministers have said this all the way through—you are looking to protect the most vulnerable. It cannot be argued that people in temporary accommodation, homeless people and people subject to the benefit cap are not some of the most vulnerable, so why are they excluded from transitional protection?

Neil Couling: In those circumstances, as the Committee may know, their housing costs do not feature within universal credit. There is effectively a technical reason why we cannot apply transitional protection to them, because they are not really coming across to full UC. Some of the changes we made—

Q790 **Chair:** Can I check my understanding? Are people whose housing is being paid being picked up as supported housing, as opposed to—

Alok Sharma: Exactly.

Neil Couling: For example, we used to take temporary accommodation into account within universal credit. Some of the councils said that that was causing them a cash-flow problem because of the monthly assessment period—I think Croydon Council gave evidence to this Committee about it. Short durations in temporary accommodation, which is more expensive than standard accommodation, were not being picked up. The councils were being left with a cash gap, and they then had to pursue the claimants for the difference. We cycled back out for that small number of cases and said that their housing support would be provided through housing benefit, which adjusts on that frequency for them, and that the rest of their maintenance costs would come through universal credit.

Q791 **Chair:** So that means that it is in the DCLG budget, as opposed to yours. Hence, in answer to Ruth's question, these people are not part of any of the benefits that come in as part of the DWP transitional protection.

Neil Couling: I may rely on providing a more detailed note on this, because it is quite hard to explain, but there are technical, legal reasons here why it is difficult—nay, impossible—to provide transitional protection in those circumstances. Why don't I do you a little note on this? Because it is a really complex area of social security law.

Q792 **Chair:** For Ruth's benefit—well, for all of us—it would be great if you could send that through to us. But does the bottom line, in plain English, mean that these people will have less money when they move across?



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Neil Couling: It would depend on their circumstances. Remember that quite a lot of people who move across are gainers in this situation, but it would depend on the characteristics of the claim. The majority of them, because of the short duration of their claim or the way in which we set up their claim with regard to universal credit, already will not be cash losers like in—

Q793 **Chair:** By the nature of the housing type—it is very short.

Neil Couling: Yes. And this takes us back to our choices about how we migrate: if we know someone is in short-term temporary accommodation, we can leave them on their current arrangements until they do go into permanent accommodation and then do the transition, where the transitional protection could apply. So we have got some choices.

Q794 **Ruth George:** You will give them transitional protection at that point, even if it is possibly a change in circumstances.

Neil Couling: If they have not been moved across—you leave them in a legacy system. Remember that we have got three-plus or four years to get this right. There will be many changes of circumstances around that and we can choose to do things at certain points.

Chair: To me, Ruth, if these claimants are to be losing as a consequence of half their money coming from a different Department, they are exactly the sort of people who need to stay in the old system as long as possible, until they are settled. That is vital.

Q795 **Ruth George:** Yes. The vast majority of them will be either single parents who have fled domestic violence or disabled people, both of whom are significant losers under universal credit. I am sorry, but for many years now I have been listening to Mr Couling telling us, “Don’t worry, because we’ve got years and years before this comes into place,” and we then end up in situations like this where we have little chance to scrutinise what is going on. I am sure the Committee would like some assurances at this point before it happens. Otherwise, we get such little opportunity to influence what is happening within the Department with universal credit.

Could I also ask why benefit-capped people who are not subject to supported housing—different budget—are being denied transitional protection?

Neil Couling: There is a rather complex, technical reason in how the benefit—

Ruth George: They are very vulnerable.

Neil Couling: Yes, but they are benefit-capped now under the legacy system; it is not through their housing benefit. As you are fed up hearing my reassurances, I will do you a note.

Ruth George: Over many years.

Neil Couling: Yes, it is over many years. Let the record show that.



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Chair: That is the point: we want to understand—I don't want to say oddities, because that is not how you describe people—the more unusual types of claimants. They are not the mass, regular types for migration. What is important is that these ones do not fall through the cracks.

Ruth George: Absolutely. It is about protecting the most vulnerable, as you have said.

Chair: Sorry, I am a little bit conscious of time.

Q796 **Ruth George:** I have got just one other bit on this. The difference between natural migration and managed migration will be key. Managed migration has the advantage of giving transitional protection if people do comply. At the moment, it seems there is quite a lot of uncertainty around the point at which people should be migrated on to universal credit naturally. For example, we have had quite a lot of anecdotal evidence of people being given wrong advice by tax credit officers. Please would the Minister write to the Committee with very clear guidelines on the circumstances in which people will be naturally migrated on to universal credit from legacy benefits and also, within universal credit, the changes of circumstance that would make them lose that transitional protection? It is very important that those are clear to all concerned.

Alok Sharma: Yes, sure.

Q797 **Chair:** If I could add to that, there is something I want to ask about that. I don't want to be flippant, but it almost feels as though a change of circumstance could be the wind blowing in a different direction. There does seem to be an extraordinary list of them.

Neil Couling: In the regulations there are a very limited number of changes of circumstances that you lose your transitional protection on. We will do you a note.

Ruth George: It is the natural migration change of circumstances, that are much more—

Chair: Yes, because that is moving house or having a child. It is very broad, isn't it?

Q798 **Ruth George:** It was very specific back in summer 2012, which is what the impact assessment at the time was based on. Can I beg your indulgence, Minister? You wrote to us regarding equality impact assessments and say that these have been done at every point. We are obviously looking at extremely vulnerable people in this, with lots of protected characteristics and in extremely high numbers. Will the Minister look to publish the equality impact assessment on the whole of the revised system of universal credit as it now stands, with cuts? We are happy to wait until after the Budget and hopefully we will see some changes in that, but it would be really helpful and would make sure that this is as transparent as possible, so that none of us can be accused of scaremongering, whether on this side or with the Secretary of State's statements, about the amount people are going to lose, if we have a very clear statement on who is going to lose, when, and what sort of people. It



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would be most helpful to hopefully put to bed all of the concerns that people have, if they are unfounded, regarding universal credit.

Alok Sharma: Obviously what we don't do is routinely publish these, as you are aware.

Q799 **Chair:** But 2012 was the last time, wasn't it?

Alok Sharma: We don't routinely publish these, but clearly it is an also an iterative process, as you said; as we gain more evidence it will change. I will take it away, because I don't think it would be appropriate to make a commitment here. Obviously I am listening. We will take away what the Committee has asked for, but I would just also say that routinely this is not something that we would publish.

Q800 **Chair:** But can you honestly say with any confidence, looking back to 2011-12, when this was last done, that the world of UC now, let alone what we have got coming down the road with managed migration, could possibly have been covered as far back as 2012, six years ago? To me it feels that we are now in a different world. It needs a refreshed assessment.

Alok Sharma: We will go back and discuss internally what is or is not possible, but I do not want to leave the Committee with a view that this is certainly something that is going to happen, because we wouldn't routinely do it.

Q801 **Steve McCabe:** I just want to go back and clarify a tiny point about these people living in supportive or specified accommodation. If I understood correctly, Mr Couling was saying that we don't need to worry too much about that because we are going to retain them on the legacy benefits until we have resolved this, and then we will move them across. I understand, partly from a parliamentary answer, that quite a high volume of elderly people fall into that category, because it is not unusual for elderly people to end up living in what the council classes as supportive accommodation, but without requiring any care. They are exactly the people who will not qualify for the housing element but currently get housing benefit.

What happened in the past was that when someone like that has transferred across they have not been eligible for the housing element, and they have been told that they are entitled to housing benefit, but in fact the councils have challenged this. What the Department has done so far is put those people back to their legacy benefits and said, "We will resolve this at a later stage." Is that what you were referring to when you said, "We will hold them on the legacy benefits"? If that is the case, have you any idea how many people we are talking about? I would think that that is a fair chunk of the elderly population.

Neil Couling: Let me be clear about what I said and what we are talking about here. You are talking about elderly people. They are not on universal credit; they will probably be on some form of pension credit, with housing benefit paid for. The proposals that the Government changed around supported housing—I am going to the far limit of my memory



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here—did involve pensioners, but the Government changed their mind about some of that.

I was talking about how we will have some choices—perhaps Ms George is hearing too many reassurances over a long period of time to ever listen to me again. For universal credit claimants, we left them in temporary accommodation on housing benefit. We will have a choice for people on housing benefit now in temporary accommodation and who are on legacy benefits about when we move them over to universal credit. So there might be a possibility there to configure that process in a way that a transitional protection calculation is possible, but I don't know; today I am speculating on that. I had a note somewhere in all this paper about this specific issue, but I cannot put my finger on it at the moment. It will be easier if I write to you on it and your worry about elderly pension credit—

Chair: That is separate, isn't it?

Q802 **Steve McCabe:** Yes, would you do that? I am curious to know how big a problem that is likely to be and therefore how much attention it will require. That is what my interest is.

Neil Couling: Around temporary accommodation, these are typically of short duration. People might go into temporary accommodation after a life event—something horrible like domestic abuse.

Q803 **Steve McCabe:** When I say “big”, I mean the numbers of people.

Neil Couling: You might see a large number doing it, but the durations are not long. That is why we have got the housing benefit system to pick up the strain on that. We basically zero their housing costs around universal credit because of that, because it is being paid through housing benefit.

Steve McCabe: It will be interesting to see the note.

Q804 **Chair:** Unless anybody's got any killer questions, I will shoot right to the end. The big question: do we know when the regs are going to come? How long will we have to scrutinise them? Will we get a debate and how long will we have?

Alok Sharma: On all of those I can answer “shortly.” We obviously need to lay them. We need to have a debate in the House.

Q805 **Chair:** So we will definitely get a debate.

Alok Sharma: Yes, absolutely there will be a debate.

Q806 **Ruth George:** By the time the regulations are laid, there will be no opportunity to table amendments to them, which is why this Committee would have appreciated the opportunity to look at your response to the SSAC report before the regulations are laid.

Alok Sharma: I do not know whether the Committee put in a formal submission to SSAC or not. I am not aware of whether you did.

Q807 **Chair:** No, I guess we are using this session now and our follow-up from today to do that.

Alok Sharma: Much of what has been raised today is also what has been raised by other stakeholders. Going back to the point about the timetable, obviously we want to make sure that we have the regs passed before the end of this year so that we are ready at the start of next year. One of the key issues in terms of the severe disability premium is making sure we have a hard gateway put in place. Neil might want to comment on this, but that is currently being built. The intention is that as quickly as possible we can get that put in so that those individuals are not moving across and losing out.

Q808 **Chair:** You could split that out and put in a separate set of regulations, presumably.

Alok Sharma: I think there is the issue of the parliamentary timetable as well. We just want to make sure that we get the regs through before the end of this year. Going back to the point about when we will respond to SSAC and when we will lay the regs, it will be shortly.

Q809 **Chair:** If you are not able, as per Ruth's suggestion, to share the regs with us, like a last draft scrutiny beforehand, what is the process for amending them once they are laid? CMS has just done it.

Alok Sharma: On that point about being able to see these, I will go away and discuss that with the Secretary of State and we will form a decision on what we think is the best way of going forward. I want to be clear that very many of the points that the Committee has raised are points that other stakeholders have echoed as well. Some of them will have talked to you, so you can emphasise to us what is important.

Q810 **Ruth George:** If we could see the SSAC report with your response, it would enable us to raise different issues.

Alok Sharma: I will say it again: I will go away and have that discussion and see whether we think that is possible or not.

Chair: That was a very lively session. Thank you very much, Alok and Neil, for coming in.

Alok Sharma: Always a pleasure.