



Department
for Work &
Pensions

Minister for Welfare Delivery
4th Floor
Caxton House
Tothill Street
LONDON
SW1H 9DA

www.dwp.gov.uk

3rd September 2021

Rt Hon Stephen Timms MP
Chair
Work and Pensions Committee
House of Commons
London
SW1AA 0AA

Dear Stephen,

Thank you for your letter of 7 July requesting further information following the meeting of the Work and Pensions Committee on 23 June 2021. I apologise for the delay in replying and address your questions in turn below.

1a) What are the main cross-government data matching projects relevant to child poverty that your Department is currently working on, or is otherwise supporting?

We have provided a summary of some of the department's key cross-government data matching work with relevance to child poverty in the annex.

1b) What, if any, are the particular barriers in England to matching government administrative datasets, compared with the situation in Scotland and Wales?

There are legal and data protection considerations to be made for all data shares. The vast amount of data DWP holds and the particularly sensitive nature of it means that we must consider all data shares carefully, ensuring we have a legal gateway to share data, being confident the shared data will be securely managed, and that there is legitimate interest for the data sharing. Sharing data with Other Government Departments comes with added complications, with each department having different legal gateways, and considerations as to whether gateways can be equally applied to departments involved in the sharing/matching project.

ONS have a central role in sourcing, linking and curating public sector data for ADR UK, ensuring that all data is accessed by researchers in a safe and secure form with minimal risk to data holders or the public. ONS may wish to provide further comment.

1c) What steps is your Department taking to address Administrative Data Research

UK's concerns that it is not getting access to the same level of data from DWP as it does from the Department for Education?

We are aware of the challenges ADR UK have faced. We have worked closely with ADR UK, and have agreed that linked data from the Longitudinal Educational Outcomes dataset (see annex) should be made available for broader research, and the first projects using that have now started. We have also agreed to make available linked data originally created for the Race Disparity Audit. We have been working closely with ADR UK to implement this, and this is nearing completion. We are also looking at some smaller projects. All of this has taken a considerable time, largely because of the detailed legal and security issues which need to be addressed.

1d) What are the Department's future plans for supporting a cross-government approach to the sharing of administrative data in pursuit of evidence-informed policy-making?

DWP are engaged with ADR UK and ONS and continue to work closely with both of these organisations. The Department already shares vast amounts of data with ONS to support their Census Transformation and statistics programme, and will work with them to consider how administrative data can be more easily shared and reused across government and made more widely available to government, and also non-government researchers and academics.

DWP are supporting the ONS's Integrated Data Programme which looks to unlock the potential of linked administrative data. DWP's Chief Data Officer sits on the Programme Board and will continue to support the programme, which is seen as the future of cross-government data sharing. In addition, the DWP Head of Data as a Service sits on the IDP Design Authority.

2a) What is the latest progress with the Department's prototype for sharing UC data, and how do you expect to further involve local authorities in this work?

The specific reference was in relation to an explicit consent process in Universal Credit. The prototype was used to check understanding and to gather user needs to iterate the explicit consent process. It was never the intention to roll out the prototype but, instead, to use the findings to help design the new process. We had originally planned to conduct the design and build last year but had to postpone due to the pandemic. We are now at an early stage of picking up again with the intention of delivering an explicit consent process this year.

We will be conducting user research and will reach out for organisations to help up with that relatively soon. Previous discovery work involved support organisations representing a diverse range of potential users.

2b) What extra data sharing will be possible through this new approach, and in what

ways will it address local authority concerns that current arrangements undermine their capacity to do preventative work?

This explicit consent process should enable Authorities and DWP to share information on individual cases where they closely support a mutual claimant so we can both provide necessary support.

We also share UC data in a range of other ways to help local authorities identify and support vulnerable people. This includes individual case-level information via a DWP IT system called *Searchlight*, through which we give local authority staff access to:

- A daily bulk share of relevant Universal Credit new claims and changes of circumstance, for the specific purposes of local Council Tax Reduction schemes.
- A recently introduced monthly share of additional Universal Credit data that allows local authorities to more efficiently administer aspects of local welfare delivery, including the COVID Local Grant Scheme.

2c) What are the Department's further plans and timetable for its approach to sharing UC data with trusted partners?

Local authorities have made us aware that they would benefit from both improvements to those existing data shares, and additional Universal Credit data sharing. As a result, we have established a project to conduct more detailed research into the possibility of making improvements to existing data shares, including taking into account the costs and benefits of doing so, and attempting to balance this against other resource demands; and, investigating the local authority reasons for additional data shares, in particular whether legal gateways exist.

We are committed to involving local authorities in the research, and are likely to do so over the summer and autumn. Decisions on future funding will be made as part of the Spending Review in the Autumn

3a) What is the Department's method for calculating the distributional and wider health impacts on children and families of its social security policy decisions?

3b) Has the Department estimated the consequences for income poverty as well as for children's well-being of the removal of the £20 Universal Credit temporary uplift?

DWP has a Policy Simulation Model, which projects forward the Family Resources Survey for future years, using a range of fairly crude assumptions. This baseline can then be adjusted for different policies to show the distributional impact. However, the estimates of how many children or individuals move above or below a set poverty line will not be robust. This is a static model, based on pre-pandemic versions of the Family Resources Survey. Projecting forward how each household income has

changed during the pandemic is very difficult to get right, and projecting how incomes may change during the recovery is even more challenging, given the uncertainty around the speed of the economic recovery and how this will be distributed across the population.

We generally do not model or project well-being or health impacts of social security decisions.

4. The report [Build Back Fairer: The Covid-19 Marmot Review](#) made a recommendation that “[t]he social safety net must be sufficient such that people not in full time work receive a minimum income for healthy living.” In his statement to the House on 21 January and in response to a question on Professor Marmot’s findings from Debbie Abrahams, the Prime Minister said that he would examine how the pandemic had “impacted on the poorest and most vulnerable”.

During the evidence session, you said that you would review what the Prime Minister had said and write to the Committee on this subject. We would be grateful for your thoughts, in particular on your response to the specific recommendation made by Professor Marmot on the minimum income for healthy living.

Examining the impact of the pandemic on the poorest and most vulnerable

As referenced in the annex, DHSC and DWP will link personal and household characteristics to health and labour market outcomes to ensure we can analyse the equality impacts from Covid19 and better target resources for a fair recovery over 2021-23. ONS will act as the secure data linking and storage partner, subject to the relevant data sharing agreements.

A minimum income for healthy living

On the specific recommendation for a minimum income for healthy living; there is no up-to-date minimum income required for healthy living, as Public Health England make clear in their [2014 report](#) about health inequalities and income. In 1999 academics attempted to calculate a ‘minimum income for healthy living’ for a [single, working man aged 18-30](#) living in England; followed by an assessment in 2007 of the minimum income for health living for those [aged 65 and older](#) with no significant disability. Although this is certainly an interesting piece of work, the authors state that the amounts determined should be regarded as ‘indicative rather than definitive’. This approach of calculating a minimum income for healthy living has not been extended to other family types, and the ‘minimum amount’ will vary significantly with family size, presence of children, disability, location etc.

A more recent attempt to calculate a minimum acceptable income (JRF’s Minimum Income Standard) asks individuals for their views on what goods and services make for a decent standard of living. However, the Minimum Income Standard includes

items most people would not consider necessities such as Netflix subscriptions, jewellery and wine. For certain families, the Minimum Income Standard can also be quite close to median income. For example, in the [most recently published report](#), the Minimum Income Standard set out for lone parents with two children was 84% of median income.

Kind regards,

A handwritten signature in black ink, appearing to read 'Will Quince'.

Will Quince MP

Minister for Welfare Delivery

Annex

Project	Datasets	About	Status
Children in Low Income Families statistics	HMRC and DWP admin data	Annual information about child poverty in local areas	Published in 2020.
Admin linking with the FRS	DWP admin data and FRS survey data	Improve the accuracy of the income data	In progress.
Longitudinal Education Outcomes	DfE DWP and HMRC admin data	Link school attainment to Higher Education outcomes and employment and benefits information	Linked data has recently been made available to accredited researchers
Digital Economy Act Pilots	E.g. DWP, HMRC, MoJ, Student Loan Company, 13 Local Authority (analysis on vulnerable debtors) DWP, HMRC and 42 Local Authorities (debt-recovery pilot)	Permissive data sharing and linking between government departments, public bodies and bodies providing a service to those detailed in the DEA Schedules	In progress
Longer term health and employment outcomes following Covid	DHSC and DWP admin data, with ONS acting as the secure data linking and storage partner	A dataset which links personal and household characteristics to health and labour market outcomes will mean we can analyse the equality impacts from Covid19 and better target resources for a fair recovery.	Due to run 2021-23
Partnership with SLAM NHS Foundation Trust	DWP and South London & Maudsley NHS data	Linking benefits data to mental health records of working-age individuals in London to address evidence in employment, benefits and mental health	In progress.



Work and Pensions Committee

House of Commons, London SW1A 0AA

Tel 020 7219 8976 Email workpencom@parliament.uk Website www.parliament.uk/workpencom

From the Chair

Will Quince MP,
Minister for Welfare Delivery,
Department for Work and Pensions

7 July 2021

Dear Will,

Children in poverty: measurement and targets

Thank you to you and your officials for giving evidence to the Committee on 23 June.

There were a number of questions raised during the session on which you undertook to provide further information to the Committee in writing.

1. The Committee has received evidence that further matching of administrative data sets would enable a better understanding of the interactions between different areas of children's lives including their education, health, and household circumstances. However, we have also heard that progress in linking government data across social security, tax, education and health domains was slower in England compared with other parts of the United Kingdom. We have also been told that DWP had been slow to share its administrative data with Administrative Data Research UK, an ESRC-funded programme. You agreed to investigate further and to provide a note to the Committee.

I would be grateful if your reply could address the following questions:

- a. **What are the main cross-government data matching projects relevant to child poverty that your Department is currently working on, or is otherwise supporting?**
 - b. **What, if any, are the particular barriers in England to matching government administrative datasets, compared with the situation in Scotland and Wales?**
 - c. **What steps is your Department taking to address Administrative Data Research UK's concerns that it is not getting access to the same level of data from DWP as it does from the Department for Education?**
 - d. **What are the Department's future plans for supporting a cross-government approach to the sharing of administrative data in pursuit of evidence-informed policy-making?**
2. In the Government's response to our Committee's report on [Universal Credit: the wait for a first payment](#), your Department said that it had been developing a prototype data sharing model using Universal Credit (UC) data. During the evidence session on 23 June, the Committee asked about the Department's progress with this prototype, recognising its potential to help local authorities mitigate the risk of fraud and support child poverty interventions. You agreed to provide a note.

We would be grateful for your answers to the following questions:

- a. **What is the latest progress with the Department's prototype for sharing UC data, and how do you expect to further involve local authorities in this work?**
 - b. **What extra data sharing will be possible through this new approach, and in what ways will it address local authority concerns that current arrangements undermine their capacity to do preventative work?**
 - c. **What are the Department's further plans and timetable for its approach to sharing UC data with trusted partners?**
3. The Committee referred to external evidence on the distributional impact of changes to social security and tax in recent years and invited the Department to set out how it considers the distributional impact of changes to benefits on different households, including those with children and those with disabled members. I would be grateful if you could provide further information on the Department's approach in this regard, in particular:
- a. **What is the Department's method for calculating the distributional and wider health impacts on children and families of its social security policy decisions?**
 - b. **Has the Department estimated the consequences for income poverty as well as for children's well-being of the removal of the £20 Universal Credit temporary uplift?**
4. The report [Build Back Fairer: The Covid-19 Marmot Review](#) made a recommendation that "[t]he social safety net must be sufficient such that people not in full time work receive a minimum income for healthy living." In his statement to the House on 21 January and in response to a question on Professor Marmot's findings from Debbie Abrahams, the Prime Minister said that he would examine how the pandemic had "impacted on the poorest and most vulnerable".

During the evidence session, you said that you would review what the Prime Minister had said and write to the Committee on this subject. We would be grateful for your thoughts, in particular on your response to the specific recommendation made by Professor Marmot on the minimum income for healthy living.

I would appreciate it if you could reply by 19 July, so that we can continue to make progress with our report.

Yours sincerely,



Rt Hon Stephen Timms MP
Chair, Work and Pensions Committee