

The Rt Hon Thérèse Coffey MP Secretary of State Department for Work and Pensions Caxton House 6-12 Tothill Street London SW1H 9NA

13 January 2022

Dear Secretary of State,

Universal Credit (Transitional Provisions) Regulations 2022

The Committee undertook its statutory scrutiny of the above-named regulations at its meeting on 8 December. The Committee was content with many of the proposals. However, we have identified some concerns which we have set out below, together with some potential mitigations for consideration.

A process to move around 1.7 million households - many with complex lives - onto Universal Credit from legacy benefits creates a significant risk for both those who are reliant on these benefits and for DWP. The Committee's response to <u>The Universal Credit (Managed Migration) Regulations 2018</u> set out our concerns at that time about a number of these risks, and urged the Government to take steps to ensure that those risks were carried by the Department rather than claimants being taken through this process. The existing Ministerial commitment to pause the migration process and report to Parliament was a key commitment given to Parliament as part of the scrutiny of *The Universal Credit (Managed Migration Pilot and Miscellaneous Amendments) Regulations 2019*.

We do recognise that the Covid-19 pandemic has enforced a prolonged pause in the Department's migration plans, and that there is a persuasive argument to move on from the pilot to working at greater scale. While we are supportive of a test-and-learn approach, the Committee is of the considered view that, given the extent of this undertaking, there is a need to have in place arrangements that provide public assurance through independent scrutiny of plans and proposals, particularly as the detail about the iterative test and learn process is necessarily limited at this point in time.

The proposed regulation 9 has the effect of removing the cap on the number of migration notices (10,000) that could be issued to existing claimants on legacy benefits and the associated Ministerial commitment to report back to Parliament before proceeding further. The main conclusion from our scrutiny of these regulations was that there is a need to consider further the potential consequences of regulation 9, and we would encourage you to retain the cap. Greater clarity is required on how the process (at key points of the migration process) will be scrutinised, and what success measures are considered to be.

If, however, the Government is committed to this position, we consider it important that the Department puts alternative arrangements in place that could provide mitigation against the element of risk that these proposals introduce, by providing independent oversight and assurance. This should take an evidence-based approach that provides independent scrutiny and public assurance, and which enables the Department to adapt its processes in an iterative way, before the numbers, and types of cohorts, being migrated are scaled up.

We would be happy to explore the role this Committee, as impartial and independent advisers to the Secretary of State, could play in providing some ongoing scrutiny and publicly report its findings. We would, of course, be prepared to undertake such a role at the end of the discovery phase in order to help secure strong public confidence in the process. However, robust scrutiny will require drawing in other key bodies, experts and stakeholders to work in partnership with this Committee. We would welcome an opportunity to discuss with you the composition of such a group, to ensure that it provides credible, independent, and impartial advice in which you can have confidence as a potential alternative to parliamentary scrutiny.

Such an approach could help alleviate public concerns about – and build confidence in – the move to Universal Credit. This process would not unduly hinder the Department through a requirement to bring forward amended regulations and report to Parliament at key review points, but would allow transparent scrutiny to take place and ensure key learning points were identified and shared.

I would welcome an opportunity to discuss these issues with you further and propose making our position public when reporting on the draft regulations before us.

A copy of this letter goes to Lady Stedman-Scott, the Minister for Welfare Delivery, Neil Couling, and Jonathan Mills.

Stephen Brien SSAC Chair