

# Press release: Universal Credit managed migration: reducing the risk to claimants

The Secretary of State for Work and Pensions (the Rt Hon Esther McVey MP) today presented to Parliament SSAC's independent advice to reduce risk for millions of claimants on 'legacy' benefits when they are due to be moved onto Universal Credit. The government's response, also published today, accepted most of the committee's recommendations.

The original proposal required millions of claimants on 'legacy' benefits to make a claim to Universal Credit, presenting a huge operational challenge for the Department for Work and Pensions (DWP), and leaving claimants at risk of financial hardship as they move from fortnightly to monthly payments.

Professor Sir Ian Diamond, Committee Chair, said:

We are delighted that both the Chancellor of the Exchequer and the Secretary of State for Work and Pensions have listened to the advice of this committee – and to the views of the 455 stakeholders who submitted evidence to our consultation – and taken steps to reduce risk for millions of people.

When we put our advice to government on their proposals for migrating existing claimants to Universal Credit we welcomed the fact that they ensured the vast majority of claimants would not lose out financially at the point of migration. But in several other respects we were concerned that too much risk was being loaded on to individuals. Our advice made clear that needed to be addressed, especially for those out-of-work claimants whose circumstances have not changed and who will be forced to move from fortnightly to monthly payments. It was clear that there were steps that the government could, and should, have been taking in preparing for managed migration that would reduce the risk to claimants. We are pleased that the government has largely accepted our advice – in particular by introducing a 2 week run of payments to out of work claimants to bridge the gap before Universal Credit is paid, by taking more time over the testing phase, by ensuring those whose claim is late or who make a mistake in their initial claim don't lose protections, and by agreeing to publish operational readiness tests which have to be met before the main migration begins.

Nonetheless, a lot of detail still has to be worked out. We are disappointed that the DWP continue to expect that everyone must make a claim to Universal Credit in order to be migrated to it. And we remain concerned about the degree to which the department will

in practice demonstrate the openness and flexibility to which they have committed. We look forward to working with them on more detailed plans.

Liz Sayce, the Committee's Vice-Chair, added:

The sheer scale of the operational challenge facing DWP cannot be underestimated. Millions of individuals are relying on the government to get this right. The department estimates that at least one-third of this group will be disabled people currently dependent on Employment and Support Allowance. Many with, for instance, serious health conditions or learning difficulties will struggle to complete a claim online. We welcome the government's commitment to ensure that disabled people are supported through the claims process, including taking claims during home visits and over the telephone, and we are keen to work with the department on the detail of these plans to ensure they work well for all disabled people.

When the committee looked at the government's proposals it recognised that the challenge facing DWP is exceptionally difficult. It is a huge logistical task to contact millions of people, who may be receiving up to 4 different benefits administered by 3 different organisations, collect any additional information needed to determine entitlement, and seamlessly terminate legacy benefit awards (with different rules and definitions) as Universal Credit awards start, without leaving any gaps or overlaps in entitlement.

Many of the committee's concerns focussed on the claims process itself and on the move to monthly payments. It is of the firm view that the migration plans should, as far as is possible, minimise the risk to claimants. The proposals presented to the committee in June did not do that. In fact, in some respects, the department had chosen to reduce its own risk by transferring it to claimants – most obviously, through the proposal to require all existing claimants to make a fresh claim for Universal Credit. While in some circumstances that approach may be unavoidable, but in many it should be possible to make migration less burdensome, and less risky, for claimants.

In examining each of the proposals, the committee considered the following questions:

- is it deliverable – is it likely to work or would it be too complex or unwieldy?
- is it explicable – will those affected understand it and what they must do?
- is it proportionate to the problem it is trying to solve?
- is it fair – for example, does it impose disproportionate burdens on particular groups of people?

The committee's 12 recommendations focussed on those aspects of the proposals that did not meet the above criteria. In particular it called on the

government to undertake a rigorous and transparent assessment of its operational readiness – including the potential impact on different groups of claimants – and to engage delivery partners and claimants in developing its detailed delivery plans and communications. Its recommendations also made clear that the responsibility for ensuring that claimants are moved safely onto Universal Credit rests with the government.

The committee therefore welcomes the Chancellor of the Exchequer's [2018 Budget statement](#) on 29 October which made clear the government's intention that the migration to Universal Credit should be as smooth as possible. In particular, it welcomes the Chancellor's announcement that out of work claimants who are currently reliant on fortnightly benefits will receive a 2 week run on of benefit.

The committee also welcomes the Secretary of State's positive response to the majority of our recommendations, and looks forward to continuing to work with her in ensuring that these proposals are delivered safely and without putting vulnerable customers at risk.

The committee also thanks the many individuals and organisations who responded to its request for advice. This informed and enriched its own understanding of the likely effects of DWP's proposals. The committee is indebted to them for their help.

Read the [committee's report on the Universal Credit managed migration proposals](#).

## **More information**

At the point at which the draft proposals were presented to the committee in June, the department estimated that, over a 4 year period from 2019 to 2023, 2.09 million households (2.87 million individuals) will have been migrated. It was also estimated that the majority of claimants being migrated are currently in receipt of tax credits (54%) and Employment and Support Allowance (36%).

SSAC is an independent advisory body of the Department for Work and Pensions. The committee's role is to give advice on social security issues; scrutinise and report on social security regulations (including tax credits) and to consider and advise on any matters referred to it by the Secretary of State for Work and Pensions or the Department for Communities in Northern Ireland.

The committee membership comprises: Sir Ian Diamond (Chair), Bruce Calderwood, David Chrimes, Carl Emmerson, Chris Goulden, Philip Jones, Jim McCormick, Grainne McKeever, Dominic Morris, Seyi Obakin, Judith Paterson, Charlotte Pickles, Liz Sayce and Victoria Todd.

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## **Press release: UK Export Finance appoints Kimberly Wiehl to Board**

UK Export Finance (UKEF) has appointed Kimberly Wiehl, a leading finance professional with specialist experience in international export credit, as a non-executive member of its Board.

Ms Wiehl brings over 15 years' experience in board-level roles promoting international trade, cross-cultural education and business skills. This experience will be key to the UKEF board which provides operational oversight, advice, challenge and assurance to the Accounting Officer. Ms Wiehl will be a member of the Board's risk sub-committee, guiding UKEF's credit risk management policies, and its remuneration sub-committee, with oversight of the pay and reward strategy.

Her experience includes ten years as Secretary-General of the Berne Union, the global association of credit and investment insurers, of which UKEF was a founding member. In this role, Ms Wiehl oversaw significant growth in membership among newly established export credit and private insurers, the adoption of a new value statement and strengthening of relationships with global financial institutions including the World Bank, International Financial Corporation, World Trade Organisation and Organisation for Economic Co-operation and Development. Kim previously spent 20 years at JPMorgan.

She is on the board of the Women's Business Development Council (WBDC), which supports female entrepreneurs, and the Executive Committee of the SHARE Fellowship, which offers scholarships and mentorship to exceptional students from developing countries.

Welcoming her appointment, Louis Taylor, Chief Executive Officer of UK Export Finance, said:

I am very pleased to welcome Kim to UKEF's board. Her unparalleled knowledge and breadth of experience in the field of export credits will prove invaluable as we look to shape UKEF's strategy now and in the future.

Kim Wiehl said:

UKEF has for nearly 100 years led the way in providing exceptional support for international trade. I am delighted to be joining the board ahead of the organisation's centenary in 2019 and look

forward to being part of UKEF's next chapter as it enters its second century as a world class export credit agency.

[UK Export Finance](#) is the UK's export credit agency and a government department, working alongside the Department for International Trade as an integral part of its strategy and operations.

Our mission is to ensure that no viable UK export should fail for want of finance or insurance from the private market. We provide finance and insurance to help exporters win, fulfil and ensure they get paid for export contracts.

Sectors in which UKEF has supported exports include: aerospace, healthcare, infrastructure, telecommunications and transport.

UKEF has a [national regional network of 24 export finance managers](#) supporting export businesses.

Our range of products includes:

- Bond insurance policy
- Bond support scheme
- Buyer & supplier credit financing facility
- Direct lending facility
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Our [country cover positions](#) outline our current cover policy and risk appetite for each country

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## **[Speech: Jeremy Wright – Society of Editors speech](#)**

Good morning.

Appearing at the Society of Editors is a challenging prospect for most politicians.

But I was keen to come here today both to celebrate our press and to contribute to this critical debate about its future.

Today's theme is 'The Trust Factor and how to fund it', and every day in my role I see the importance of trust in our communities.

And I see the vital work that all the different elements of our civil society do to reinforce it.

Our press has a level of trust and freedom that is rightly envied and respected across the world.

But a free and trusted press must also be a sustainable press.

A benefit of the digital revolution is that so many people from around the world can now see your content.

But I recognise there is a real problem in converting that interest into revenue.

And the strength and sustainability of our press is something that should concern us all.

Especially when we look at this in a global context.

Across the world, we are seeing journalists under threat and state sponsored disinformation drowning out the free and open press.

And the risks of a diminished press are very real. A less informed public, a democratic deficit and less of a spotlight on vital public institutions. Institutions like the courts.

In my previous role as Attorney General, I was always impressed by the diligence of the journalists who informed the public about complex and challenging cases.

And the careful way in which they, most of the time, combined accurate reporting with respect for the law so everyone is able to get the fair trial they deserve.

It is a good example of the importance of a healthy and sustainable free press.

A Press that gives people not just what they want to read but what they ought to read, makes our society is stronger.

And helping you to deliver that is one of my big priorities in my new role as Secretary of State at DCMS.

## **Cairncross Review**

As many of you know the Government has set up a Review under Dame Frances Cairncross in recognition of the pressing need to sustain high quality news.

Thank you for your engagement with it, whether it's through our expert panel or through sharing your views in the consultation. We are on course to publish the review early next year.

Now, this is an independent review and it wouldn't be appropriate for me to speculate on or pre-judge its findings.

But it is clear that the days of print sales and print advertising meeting

the costs of producing quality journalism are largely behind us.

And that the trend for consumers to seek news content online will not be reversed, but will, if anything accelerate.

But I am confident that the review will show there are ways for quality journalism to go from strength to strength in the digital era.

It is undeniable that the digital revolution has led to a world in which the value of quality content is not sufficiently rewarded.

This means an understandable but harmful trend towards cheaper to produce content, which endangers the investigative journalism that needs time and resources to do well.

There is an urgent need to turn this around. On the one hand, I firmly believe that technology is a force for good and that social media platforms have brought great opportunities.

But many of these platforms are powered by the sharing of news, and it is vital that the producers of this news are recognised and rewarded.

I have urged Dame Frances to look carefully at this point.

Of course, whilst I believe the Cairncross Review will be an important step in setting out a new future for our quality press, it will not be a silver bullet. Nor will it produce one single model for every publisher to follow.

And so it is important that we all look at what is within our gift to change, as we strive to strengthen our free press and democratic engagement.

## **Representation**

The government is thinking long and hard how to support a vibrant press industry in the years ahead.

But the press must also look at itself. Not only in terms of testing new business models, but in terms of remaining relevant to our discourse as a society in representing and reflecting the communities that you serve.

In Edinburgh I spoke of how our Public Service Broadcasters are national institutions, and today as I speak to another group of institutions that are vital to the fabric of our nation, my message is the same. The transfer of trust from generation to generation can no longer be taken for granted. But neither is it unachievable.

The shift to online presents opportunities to engage new audiences. And proper representation is vital to winning and maintaining their trust.

That means greater ethnic and gender diversity and greater diversity in the background of those who work in the press industry, and drawing on the talents of more of the country's geography.

We are currently in Manchester, where the BBC and ITV now produce much of their output.

And whilst it will of course be disappointing for this great city that it was not announced as the new home for Channel 4's National Headquarters, I must congratulate Leeds, and indeed Glasgow and Bristol for securing new Channel 4 creative hubs.

And I congratulate Channel 4 for seeing the value of getting beyond the capital and using the creativity that can be found in all parts and communities of the UK and I am delighted that they have committed to commission more content outside London too.

Proper representation can be achieved in a variety of ways. And I would urge you, just as you ask probing questions of others, to ask probing questions about the make up of your own organisations.

Not simply because it is the right thing to do, but because it makes good business sense.

A more representative press is more likely to reach more people.

## **Investigative journalism**

And there are some areas in which we should all want more people to read what you produce.

And finally I want to touch on an area in which I think our press is the best in the world – the exceptional quality of investigative journalism.

Some of this has been through traditional sources, like the Guardian and Channel 4's excellent work on Cambridge Analytica.

Standing side by side with first class investigative journalism online.

Like BBC Africa's excellent online investigation into the killing of civilians by soldiers in Cameroon, which went viral worldwide on Twitter, showing there is still appetite for dogged and forensic investigative journalism.

It has been encouraging to see new outlets like BuzzFeed working with traditional media to break headline hitting stories, and I am sure we will see more of these in the coming years.

I really wanted to come here today and applaud the importance of what you do.

British journalists regularly produce stories that drive major changes for the better in politics and society more broadly.

And you have been sharing your investigative skills with others too. There has been some excellent work on media literacy by publications represented in this room, helping young people to develop the critical thinking skills they need.

These initiatives are so important, especially in an era where disinformation is prevalent, and often commercially lucrative.

Thank you for this work, and the Government is looking at how we can complement it to help people of all ages separate fact from fiction.

Because high quality investigative journalism holds our institutions to account and makes our country, and public life, a much better place.

And it's the kind of journalism that can and must be part of the antidote to so called 'fake news'.

## **Conclusion**

So, at a time when trust is in short supply, our media is as important as it has ever been.

The fight against disinformation and the sustainability of our press are two sides of the same coin.

You help guarantee a society with rigour and accuracy at its core. And you do excellent work. We might not always like what you write about us. But your right to report and publish freely is critically important for us all.

Thank you very much and I'm looking forward to taking your questions.