

# Moving to Universal Credit through Managed Migration

Universal Credit (UC) is the biggest ever change to the welfare system. Over 7 million households will be receiving UC by the time it is fully rolled out, more than half of whom will be in work. From 2019, the Government intends to start the final and biggest phase of UC rollout - moving people currently on legacy benefits over to UC. This process is known as 'managed migration' and will affect an estimated 2.8 million people.<sup>1</sup>

Delivering reform on this scale is always going to present challenges. However, aspects of the design and delivery of UC add to this challenge. The key challenges are:

- UC brings together 6 legacy benefits into one single payment, meaning any errors during migration could put people's entire income from benefits at risk.
- Those being migrated are likely to have higher support needs than those who have claimed UC so far - this includes 1 in 3 (36%) claimants due to be migrated who are disabled or have a long-term health condition.
- Managed migration will require the DWP to communicate the process effectively to all claimants - including people who claim tax credits or disability benefits and have had little or no engagement with the Jobcentre in recent years.

We support the aims and principles of UC and therefore welcome the Government's commitment to working with partner organisations to understand where improvements are needed. This briefing sets out Citizens Advice's recommendations for managed migration and our response to the regulations as currently proposed.

## **We recommend the DWP use the following principles for managed migration:**

- 1. The burden of migration should not fall wholly on individuals.** The current proposals for managed migration require everyone on legacy benefits to make a full new claim to UC. The DWP should ensure it is making best use of existing data held by government departments to reduce the administrative burden on all claimants and avoid unnecessary risks to people's incomes, including working families and those who are disabled or have a health condition.
- 2. Managed migration must not result in a sudden loss of income for claimants.** If people fail to make a new UC claim, their benefits may be stopped. Not completing all aspects of a claim can also mean delays in full payment. Our evidence and DWP's own data shows many people are already struggling with the UC claims process. The Government must ensure everyone has security of income as they transition to UC.
- 3. People must be supported through the migration process.** Our evidence shows that current UC claimants are struggling to access the support they need.<sup>2</sup> The Government should ensure adequate and comprehensive support is in place.

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<sup>1</sup> DWP, [Explanatory Memorandum for the Social Security Advisory Committee](#), June 2018

<sup>2</sup> Citizens Advice, [Making a Universal Credit Claim](#), July 2018

Vulnerable claimants and people with complex benefit claims must be proactively identified so that support can be appropriately targeted.

4. **Transitional protection must be in place for people who face losses as a result of moving to UC.** We strongly support the Government's commitment to providing transitional protection. The Government should review the measures proposed to ensure these protections are in place for all those migrating to UC and minimise the risk of disparities between claimants in identical circumstances as a result of the way they migrate onto UC. We would also urge the Government to strengthen protections for groups who need more financial support from the benefits system and who face large losses, similar to the measures proposed for Severe Disability Premium recipients, and by limiting how easily these protections erode.
5. **A clear framework for success should be established to set targets and review points for moving people onto UC.** The proposed schedule for migrating people onto UC lacks detail on how the rollout will be phased and how quickly large volumes of people could be migrated. The use of migration notices rather than commencement orders means there are no concrete checkpoints at which progress can be reviewed. The DWP should build on its test and learn approach and establish 'break points' at which migration can be transparently assessed before it is further extended which should be incorporated into the regulations.

### **The burden of migration should not fall wholly on individuals.**

Under current proposals, everyone going through managed migration will be issued with a notification and a deadline by which they must submit a new UC claim. To successfully complete this new claim, most individuals will need to create and register an account, complete an online application, verify their ID (either online or by submitting documents in person at the Jobcentre), attend an appointment at the Jobcentre, provide evidence of additional costs (like housing or childcare costs) and sign a claimant commitment.

Our recent report shows that many people are struggling to successfully complete this process.<sup>3</sup> According to DWP evidence, 44% of people who claim UC online have to make multiple attempts before they are successful.<sup>4</sup> This has contributed to a situation where around 1 in 6 UC claimants are not paid in full and on time,<sup>5</sup> and people are dropping out of the claim process.<sup>6</sup>

The requirement to make a full UC claim therefore places a heavy administrative burden on individual claimants, many of whom will have to fit making a new UC claim around work and caring responsibilities. It represents a serious risk of hardship if significant numbers fail to complete a claim by the deadline, or drop out of the process altogether.

#### **Recommendations:**

- I. The DWP must ensure it is making best use of existing claimant data to reduce the risk of disruption to the lives and incomes of individual claimants.

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<sup>3</sup> Citizens Advice, [Making a Universal Credit Claim](#), July 2018

<sup>4</sup> DWP, [Full service claimant survey](#), June 2018 p. 33

<sup>5</sup> DWP, [Length of payment delays for new claims to Universal Credit](#), July 2018

<sup>6</sup> Fol:2025, May 2018

- II. The DWP should establish where there is an immediate need to complete an aspect of the UC claim (e.g. creating an online account) and whether other aspects could be done at a later stage.

### **No one should lose their income as a result of transitioning to UC**

Unlike previous benefit migrations, any error in the transition to UC could put people's entire income from benefits at risk. Regulation 46 gives the DWP the power to stop all legacy benefit claims the day before a claimant's migration deadline - which could be as little as one month after their migration notice was issued. In practice, this could mean people receiving only one form of contact (i.e. letters) before seeing their benefits suddenly cut off.

We are concerned that many people will slip through the net simply because they have not read a letter, or are not able to do so. Given the difficulties current UC claimants face in making a new claim, we do not believe the proposed approach to informing claimants about migration is adequate, and believe one month is not a sufficient window for people to make their claim. This approach would cause unnecessary stress and risks disrupting the incomes of 2.1 million low-income households, potentially pushing people into debt or hardship.

Under the draft regulations, claimants who are deemed to have not properly completed their claim in the first instance will lose their entitlement to transitional protection - even if they go on to successfully complete their claim. With 1 in 5 UC claims currently being closed because parts of the application process have not been completed,<sup>7</sup> we are concerned this regulation would result in high numbers losing their transitional protection.

The DWP has proposed measures to protect vulnerable claimants and those with complex cases. This includes extending the time limit for making a claim to 3 months and requiring agents to check for evidence of vulnerability before they stop legacy benefit claims. However, how and when these groups of claimants will be identified is currently not set out - and it has not yet been established whether or not this can be done prior to managed migration.

Finally, all people being migrated will still face a 5 week wait for their initial UC payment. Government have taken action to introduce a Housing Benefit roll on which will support many with their housing payments as they move to the new benefit. We are concerned that people may still face difficulties with other essential costs particularly for claimants moving from benefits which are paid weekly - for example, Child Tax Credits. At present, 4 in 10 UC claimants are experiencing financial difficulties and a third of those receiving support with housing costs are in arrears.<sup>8</sup> Whilst Advance Payments are available, around 60% of UC claimants are currently taking Advance Payments which then must be paid back through deductions from their monthly payments.<sup>9</sup> It is vital that managed migration does not put additional pressure on people's finances.

### **Recommendations:**

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<sup>7</sup> [Fol:2025](#), May 2018

<sup>8</sup> DWP, [Fulls service claimant survey](#), June 2018

<sup>9</sup> [Written Question 136419 to the Secretary of State for Work and Pensions](#), April 2018.

- I. Regulations should be introduced to prevent a claimant's legacy benefit payments from being stopped before they have successfully completed a UC claim.
- II. Regulation 48 should be amended to ensure those who make a defective claim but go on to successfully make their claim still receive transitional protection.
- III. Missing the migration deadline should trigger an offer of support to make a new UC claim rather than a financial penalty.

### **People must be supported through the migration process.**

We welcome the DWP's commitment to tailor the managed migration process so that appropriate support can be put in place for claimants who have complex needs or fall into a vulnerable group. At the moment, many UC claimants are struggling to access the support they need. Although additional help is available through the Universal Support offer, our recent report found that this support is currently inadequate and can be patchy or lacking a coherent local strategy.<sup>10</sup> Unless it has sufficient coverage and availability, delays in accessing this support contribute to a longer waiting time before people get their initial full UC payment.

It is vital that comprehensive and effective support to help new claimants submit and complete their claim is put in place before volumes are significantly increased through managed migration. The proposed migration process largely relies on people reading and understanding their notification, taking responsibility for starting a claim, or contacting the DWP if they are not able to do this. Setting aside those who simply do not receive or read their notification, many of our clients will struggle to complete a new claim within the required deadline. This may be because of a difficult life event, period of ill health, low levels of literacy, lack of digital skills or where people are managing other challenges in their lives.

We are also concerned that the DWP has not yet determined whether and how vulnerable claimants or those with complex cases will be identified in advance of being issued with a migration notice. Unless the DWP is able to proactively put measures in place to protect those who are struggling, there is a significant risk that vulnerable claimants will lose out and face unnecessary stress. It could also put greater pressure on public services and third sector organisations who will be called on to support them.

#### ***Recommendations:***

- I. Government should publish a minimum standard of Universal Support with sufficient availability and coverage, and extend its scope to include help with all stages of the claim process including fulfilling evidence requirements and completing a claim.
- II. Vulnerable people and claimants with complex cases must be proactively identified so that support can be targeted and tailored to their needs. The DWP should consult on the best way to achieve this and disseminate its strategy to stakeholders and support organisations, to ensure it is reaching those with the greatest need.

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<sup>10</sup> Citizens Advice, [Making a Universal Credit Claim](#), July 2018

## **Transitional protection must in place for people who face losses a result of being migrated.**

We welcome the Government's proposals to provide transitional protection for claimants who stand to lose out from the migration to UC. Transitional protection payments - alongside the proposed capital disregard for Tax Credit claimants - will give families security of their level of income to ease their move to UC.

We are concerned however that the qualifying criteria as proposed will create disparity between claimants. If someone experiences a change of circumstances which triggers a natural migration before they have received their managed migration notification, they will not get transitional protection. This is particularly unfair for those who naturally migrate because they have moved to a different local authority. In this situation, a claimant could be entitled to less than someone in identical circumstances who moves within their local area.

For some groups not having transitional protection will mean a significant loss of income compared to someone who has gone through managed migration. The government has recognised that natural migration causes problems for people who receive the Severe Disability Premium (SDP). This group faces some of the largest reductions in benefit entitlement. To prevent large disparities between those who get transitional protection and those who do not, the government has announced it will stop SDP recipients from naturally migrating onto UC. We strongly welcome this approach, as it will increase financial security for these disabled people. For groups who also face losses, there is a risk that is likely to be seen as an inherently unfair that the way they have migrated means they have a lower entitlement. For example families with disabled children, disabled workers and lone parents. The only way to completely eradicate this unfairness would be to extend transitional protection to people who naturally migrate. The government should consider extending the gateway conditions used for SDP to all groups that face losses.

The government should also set out a timeline for swiftly and proactively identifying UC claimants who have already naturally migrated from a claim that includes the SDP, and provide this group with full transitional protection. The level of transitional protection payments currently proposed for those who have already naturally migrated do not reflect the large losses people can face. Those in the Limited Capability for Work Related Activity group will be given a £80 per month top up while our calculations suggest losses can be as large as £180 per month.

### ***Recommendations:***

- I. The DWP should review measures for applying transitional protection to minimise disparity between claimants who move onto UC through managed migration and those who naturally migrate.
- II. Full transitional protections should be provided for SDP recipients who have already moved onto UC. Otherwise, the proposed transitional payments and back payments must be increased so they better reflect the losses faced by this group.

## **A clear framework for success should be established to set targets and review points for moving people onto UC.**

We welcome the continued commitment to the test and learn approach to the rollout of UC. The Government has shown it can listen to the experiences of claimants and can step in and make changes where problems are identified. To support this approach, the DWP should provide more detail on the rollout schedule and how learning will be incorporated and acted upon before claimant volumes onto UC are increased.

We do not think the level of detail currently provided is sufficient to allow a full assessment of how effective proposed measures to facilitate managed migration will be, or the potential impacts on our clients. The DWP must set out in advance how it intends to issue migration notices (e.g. by region, local authority, benefit type), how the issuing of migration notices and 'warm up' communications will be phased, and what criteria the DWP will use in assessing whether to increase or decrease the volume of migration notices being issued.

Our primary concern with the timetable for managed migration as proposed is that it risks expanding the number of claimants moving onto UC before its systems are able to effectively manage increased volumes. The DWP must ensure that known delivery and design issues are fixed before managed migration begins. We would also encourage the Department to take up the National Audit Office recommendation that they formally assess the readiness of UC systems before the beginning the process of managed migration.<sup>11</sup>

Finally, the proposal to use notifications rather than Commencement Orders to progress the rollout of managed migration means there are no checkpoints built in at which performance can be evaluated before volumes are increased. We urge the DWP to establish a framework for success against which the performance of UC systems can be monitored and reported upon. The framework should set out indicators to measure progress in key areas, designed in collaboration with front line staff and stakeholders. The DWP should use these measures to formally assess the readiness of UC systems to support increased volumes of claimants, both before managed migration begins and at regular intervals during the roll out of migration.

### ***Recommendations:***

- I. The DWP must fix known design and delivery issues and assess the readiness of UC systems before significantly increasing the volume of claimants through managed migration.
- II. The DWP should set out clear criteria for success and establish 'break points' at which it must review progress, using this to inform decisions on the timing of future rollout. Consultation with frontline staff and stakeholders should be an integral part of this process.

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<sup>11</sup> NAO, Rolling out Universal Credit, June 2018