



Z2K Briefing on Universal Credit “Managed Migration” (July 2022)

“The next stage, managed migration will move claimants of legacy benefits on to Universal Credit without a change of circumstances. As we have previously committed, the Department will pilot this approach, following the passing of an affirmative Statutory Instrument, from July 2019; starting with small numbers with no more than 10,000 claimants. This is expected to take around 12 months. We will report on our findings to Parliament and bring forward legislation for the wider roll out of managed migration The department is working with stakeholders to develop our approach to managed migration, with support for the most vulnerable in at the forefront of our minds.”¹

Former Secretary of State for Work & Pensions, Amber Rudd (12 March 2019)

“Having conducted this review, the (Social Security Advisory Committee) continues to have concerns about the removal from existing legislation of the pilot which would limit the number of migration notices issued to 10,000 and the commitment by a recent Secretary of State to return to Parliament with the legislation we need for future managed migration. In the absence of such a stage-gate, we are not convinced that the governance arrangements currently in place are sufficiently robust to safeguards or put strong mitigations in place for those risks which have the potential to impact adversely upon up to 1.7 million households and to affect public confidence in the programme.”²

Chair, Social Security Advisory Committee (26 May 2022)

“The Department welcomes the Committee’s focus on the regulation regarding the removal of the 10,000 limit on the number of claimants who can be sent a managed migration notice We note the committee has not made any recommendations regarding the draft regulations; therefore, we have not made any amendment to them.”

Secretary of State for Work & Pensions, Therese Coffey (04 July 2022)

“The way that they write about it on the UC platform wasn’t actually that clear. Because, before I know it, I haven’t even given consent and all of a sudden 1 2 3 you’re done (transferred from Employment Support Allowance to UC). There wasn’t a definitive yes button to say transfer over to UC. It certainly didn’t on that page tell you what you are losing, and it was up to Z2K to say well you’re losing something [Severe Disability Premium], and that’s not made clear.”³

Z2K client, “Lee” (December 2020)

¹ <https://questions-statements.parliament.uk/written-statements/detail/2019-03-12/HCWS1399>

² [Universal Credit Transitional Provision Regulations 2022 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/108481/Universal_Credit_Transitional_Provision_Regulations_2022.pdf)

³ <https://www.z2k.org/wp-content/uploads/2021/01/Blunt-bureaucratic-and-broken-single-page.pdf>

Background

Z2K's vision is that no-one in the UK should be living in poverty. We believe that adequate income and secure housing are key to creating a fairer society where everyone has the chance to live with dignity. We work with people in London to solve their Social Security and housing issues, and we use the evidence from our casework to campaign for changes to policy and practice. In 2021, we supported over 1,000 people, securing financial benefits of £3.5 million for our clients. Many of those were struggling with their Universal Credit (UC) claim. Embedded at the heart of Z2K is our client-centred approach and our work to ensure the views of people with lived experience are heard.

Key points

- Evidence from people with experience of UC shows that it is failing those in vulnerable situations, like those 1.7 million people in-line for 'managed migration'.
- This leaves many people without enough money to live on, which the financial support they are entitled to and at genuine risk of financial hardship or eviction.
- Given these unresolved problems, the 'managed migration' from legacy benefits onto UC must be paused once 10,000 claimants have been moved on to Universal Credit, and a report presented to Parliament – as the existing regulations require.

Background

Since its rollout, Z2K has noted the harmful impact of UC on many of our clients. Prior to the pandemic, much attention was focussed on DWP's insistence that people wait a minimum of five weeks for their first payment. This unnecessary delay forced many to rely on charities and food banks to feed themselves and their families. DWP's belated acceptance that something needed to be done led it to actively promote the use of Advance Payments, which often cause budgeting problems in themselves as they are deducted automatically from someone's benefits.

Z2K's concerns include but go beyond this delay; our *Blunt, Bureaucratic and Broken: How Universal Credit is Failing People in Vulnerable Situations* (2020) report evidenced the systemic failings that disproportionately impact people in vulnerable situations.⁴ Day after day, our advisors are helping clients who are excluded by UC's 'digital by default' set-up, whose queries are ignored by its opaque bureaucracy, and who have to battle to get the support they are entitled to. As Daniel said:

"I'm no computer whizz and when I spoke to Natasha [a caseworker at Z2K] she was able to login to it [his UC journal] and she brought things up on it that I'd never seen."

In our experience, people who are disabled and seriously unwell suffer from the failings in this system most of all. Maladministration occurs so often that people like Nadia, who has a brain injury, feel they have to painstakingly document everything:

"It feels very personal because the mistakes DWP make are so frequent ... I now document every conversation because if something does go wrong I have to remember it."

When trying to resolve a question or concern via the UC journal, it is often reported that DWP doesn't acknowledge or respond to it. As "Lee" explains:

"They don't seem to read the past posts [when you contact UC]. They only look at the one they are dealing with on the top...if they don't read the history and they are not the same person you were speaking to before, their answers are going to be completely irrelevant. I'm not sure that UC was actually made to deal with people."

⁴ <https://www.z2k.org/wp-content/uploads/2021/01/Blunt-bureaucratic-and-broken-single-page.pdf>

Amber Rudd's Intervention in 2019

Three years ago, in the face of constant stories about the struggles of people claiming UC and criticism in Parliament and from the Social Security Advisory Committee (SSAC), the new Work & Pensions Secretary, Amber Rudd, instructed DWP officials to rewrite the secondary legislation enabling the roll-out of UC to the remaining two million legacy benefit claimants who would not 'naturally' migrate to UC. She agreed that a maximum of 10,000 people could go through this 'managed migration' pilot and an evaluation report produced showing it was not having an adverse effect before Parliament would be asked to give its approval to nationwide roll-out. In her statement laying the revised Regulations she said:

"The pilot will give colleagues and claimants confidence in the Department's approach to the transition before we return to the House to report on progress and seek permission to extend managed migration." ⁵

Alongside many other organisations working with people struggling with their UC claim, Z2K welcomed this commitment to return to evidence-based policy-making. Less publicly, the Prime Minister's Implementation Unit (PMIU) in the Cabinet Office began a "deep dive" piece of qualitative research into the experiences of vulnerable people who had already moved onto UC via "natural migration". Despite repeated requests, DWP has refused to publish this report or even a summary of the recommendations that were supposed to have been taken forward by the Director General / Senior Responsible Owner (SRO) for UC.⁶ This document is clearly key to any external scrutiny of the managed migration phase. A decision on its publication is now with the Information Commissioner.

Draft Universal Credit (Transitional Provisions) Amendment Regulations 2022

In late-March 2022, SSAC published minutes of its meeting in December 2021 and its subsequent correspondence with DWP ministers over the Department's plans to drop the 10,000-case limit and press ahead with managed migration through a "Discovery Phase". In her statement, the Secretary of State, Thérèse Coffey, said her Department would resume the managed migration process and complete the move to UC by 2024.⁷ Despite only moving 38 people during the Harrogate Pilot, Ms Coffey stated it provided "*valuable insights*" and that the Department have "*learned from this experience*." DWP will begin the move initially with 500 claimants in Bolton and Medway.

The removal of the 10,000 cap was clearly one of the key concerns of SSAC members. Notably, a key operational recommendation from SSAC in 2018 was that:

"The Department should publicly define what it considers good operational readiness to be. It should then undertake a rigorous and transparent assessment of whether it has met those criteria (and, if not, what challenges remain)." ⁸

In 2019, SSAC's former Chair, Sir Ian Diamond, had welcomed Amber Rudd's decision to introduce a 10,000-case limit.⁹ He clearly felt the revised regulations went a long way to meeting his concerns.

⁵ <https://hansard.parliament.uk/commons/2019-07-22/debates/8111667B-E194-41D6-9496-FE1E870225E6/UniversalCreditManagedMigration>

⁶ https://data.parliament.uk/DepositedPapers/Files/DEP2022-0377/2-UCPB12-11-19-Paper1-Final_PB_Mins-Oct2019_R.pdf

⁷ [Written statements - Written questions, answers and statements - UK Parliament](#)

⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/753714/draft-universal-credit-managed-migration-regulations-2018-report.pdf

⁹ <https://www.gov.uk/government/publications/the-universal-credit-managed-migration-pilot-and-miscellaneous-amendments-regulations-2019-ssac-correspondence/ssac-to-the-secretary-of-state-for-work-and-pensions-the-universal-credit-managed-migration-pilot-and-miscellaneous-amendments-regulations-2019>

Despite a change within the SSAC's membership over the last three years, these concerns remain and more importantly, the key operational recommendations made in 2018, have still not been considered. On the announcement of this removal, Dr Stephen Brien, a former advisor to Iain Duncan Smith MP during his time as Work & Pensions Secretary, now chair of the SSAC, said:

“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 also for DWP in delivering it. For the public to have confidence in this process and to minimise risk further consideration needs to be given to establishing appropriate independent oversight and scrutiny of the programme as it moves forward.”¹⁰

In May, the Work and Pensions Select Committee held a one-off session on UC Managed Migration. In response to its concerns about the three-month migration notice period, Ms Coffey said:

“For the first groups of claimants in this initial phase of discovery, I have decided the department will not terminate any benefits if the claimant fails to claim within the three-month period given. Instead, if these claimants have failed to engage with the department, DWP will make a minimum of a one-month extension to the deadline outlined in their notice. In this time, we will undertake proactive engagement with the claimant to understand why they have not claimed.”¹¹

Z2K would not want to see anyone's benefits “terminated”, and while it is positive to see this will not happen during the “*initial phase of discovery*”, there are still concerns what will happen to those being moved after this initial phase. The question of how DWP will move from a process in which a small number of people are helped intensively through the process of migration to one in which hundreds of thousands of people will be moving each month is one which SSAC has again raised concerns about in its formal reference report on the regulations.

If claimants currently in receipt of legacy benefits with an entitlement to a UC award do not make that claim within three months (or whatever timescale), this should not be seen as them having ‘failed to claim’, but as DWP having failed to manage their migration from legacy benefits.

Social Security Advisory Committee – Formal Reference Report 2022

Having laid out its objections in principle to the removal of the 10,000 case limit and requirement to report back to Parliament in its earlier correspondence, SSAC's formal reference report focussed on the oversight and governance improvements needed to safeguard claimants if DWP decided to press on without reversing its proposed changes to managed migration.¹² These are mostly operational, but the constant theme is the need to increase the transparency of the UC Programme's approach and introduce some external involvement so it isn't “setting and marking its own homework”. Perhaps the key recommendation is that the SRO should, “**present the scaling-up proposals to the Work & Pensions Select Committee for scrutiny and assurance before proceeding.**”

In addition, recommendation 3 states that:

“The current criteria for moving to the next phase are published before the summer recess and subsequently within one month of amendments being agreed by the UC Programme Board to ensure there is transparency about the Programme's intentions and that at the point when decisions about implementation or scaling-up are taken a letter from the SRO

¹⁰ <https://www.gov.uk/government/news/the-universal-credit-transitional-provisions-regulations-2022>

¹¹ <https://committees.parliament.uk/publications/22289/documents/164915/default/>

¹² [Universal Credit Transitional Provision Regulations 2022 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

should be submitted to the Secretary of State and Permanent Secretary setting out the factors that have informed the decision. This should be supplemented by an assessment by the Chair of the UC Programme Board on the readiness of the Department to take that step. To fully discharge his accountabilities, the SRO should additionally share this letter with the Chair of the Work & Pensions Select Committee.”

Recommendation 4 goes on to state:

“In line with his accountability to the Work & Pensions Select Committee, the SRO should provide periodic reports on performance, including timely updates on progress against key milestones and lessons learned, to the Chair of that committee. This should be placed in the House of Commons Library.”

The Department’s response, as represented in the Secretary of State’s Written Ministerial Statement, fails to give any indication which if any of the 11 recommendations will be implemented, let alone respond to SSAC’s original concerns about the removal of the 10,000-case cap and requirement to report back to Parliament before proceeding.

“The Department welcomes the Committee’s focus on the regulation regarding the removal of the 10,000 limit on the number of claimants who can be sent a managed migration notice. This regulation has been proposed as this previous regulatory constraint no longer reflects how we wish to test and learn our approach for a responsible and safe transition of claimants to UC. **We note the committee has not made any recommendations regarding the draft regulations; therefore we have not made any amendment to them**, apart from some minor technical and drafting changes ahead of laying them in Parliament. The committee did make recommendations focussing on programme governance, operational matters and engagement with stakeholders, particularly Parliament. **The Department would like to formally note all the recommendations.**”¹³

Key Issues

Z2K is deeply concerned about this lack of transparency and accountability in a process involving the dramatic upheaval in the way 1.7 million people, most of whom are disabled or seriously unwell, will receive the Social Security benefits they need to live on. DWP’s statement gives us no confidence that any lessons have been learned from the experiences hundreds of thousands of people went through in 2017, 2018 and 2019 when making a claim for UC. Instead, the Department seems determined to return to the very same inward-looking approach which led to the former Secretary of State and former Prime Minister needing to make a series of interventions back in 2018 and 2019.

Z2K believes there are a number of fundamental changes that are needed to UC.

Reversing harmful design decisions

“People who do not have any IT experience, there’s no point telling them to go online... you either hold some kind of training or give people access [internet access and facilities] at their house...you can’t just roll it out and then just leave people to try and access that IT on their own devices.” (Pearl, Z2K client)

As well as combining multiple benefits, UC’s other design changes include being digital by default, making monthly payments to a household (rather than weekly or fortnightly payments to individuals), and paying the rental element directly to a claimant by default (rather than straight to their landlord). For some people, these decisions work. But for many they do not. People claiming UC should be allowed to choose how these parts of the benefit best work for them.

¹³ [Universal Credit Transitional Provision Regulations 2022 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

“With tax credits you can get paid weekly or you can get monthly, I don’t know why they don’t offer that to be honest, because it’s a long time with such little money ... it’s a long time to wait.” (Claire, Z2K client)

Creating a more user-friendly and supportive system

The overall UC system should give people far greater information about their current and previous claim and provide people with the support that they need. The relationship between someone on UC and the DWP is also completely unbalanced. There is no equivalent of the 'claimant commitment' for the DWP, or of a sanctions system when it makes mistakes.

“When they’ve [UC] made their error, the next month they just take everything back, which is really bad because you’re making us pay for your mistake.” (Pearl, Z2K client)

This could be addressed by monitoring responses from the DWP to claimants, penalising it for wrong information, bad decisions, or harmful delays, and ensuring that people are not required to repay overpayments caused by the department's own errors.

Transitional Protection

DWP states it will ensure the claimant’s entitlement on UC “at the point of managed transition” is not below that of legacy benefits.¹⁴ This is significant because it does not guarantee that those who move will not lose money over time. Around 900,000 of the 1.7 million who will be moved between May 2022 – December 2024 will have their income eroded over time as UC rises with inflation or if other parts of their UC entitlement increase or their circumstances change.

Transitional Protection is volatile, and claimants could lose out if they move to UC at the wrong time. This is because Transitional Protection only lasts for three months at the point of making a claim. Therefore, if a claimant has a change of circumstances during this period, for example, moving in with a partner, moving house, a new job, a new child and so on – they will lose this vital protection. DWP must allow for a change of circumstance in claimants’ claims to ensure Transitional Protection remains and ensure those who move do not lose income through another benefit freeze.

Vulnerable Claimants

Is it unclear what safeguards are in place to support claimants in vulnerable situations – this could be because they are unwell, in mental health crisis or are unaware of the need to move to UC. The Select Committee session on managed migration received evidence from several organisations that it is unclear what safeguards are in place, especially for when the Department ‘scales up’ and ends the discovery phase, which will greatly increase the ratio of claimants to case managers and therefore decrease the level of support and management oversight that is available. To ensure claimants’ safety, DWP must extend the notice beyond three months for those who don’t respond, and agree not to ‘terminate’ anyone’s income. Responsibility for ensuring people do not lose their income due to the DWP’s handling of managed migration lies with the DWP, not the individuals.

Conclusion

The case for dropping the key safeguards for UC managed migration has not been made. With an average of nearly 3,000 “legacy benefit” claimants in each constituency, many of whom are disabled and seriously unwell people in the ESA Support Group, the risks are very high. Z2K urges MPs to reject these revised regulations and insist upon Parliament retaining the final decision on when UC is rolled out nationwide, based on a full evaluation that clearly demonstrates potentially vulnerable people are not losing out financially, or being put through unnecessary stress and anxiety.

¹⁴ [Completing the Move to Universal Credit \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)