Policy in Practice

BRIEFING NOTE

RESPONSE TO SSAC CONSULTATION: MANAGED MIGRATION ONTO UNIVERSAL CREDIT

Managed migration is a massive exercise, with over two million households moving onto Universal Credit over four years, on top of the natural migration caseload. The risk is not only that vulnerable claimants are left without the support they need to make and manage a Universal Credit claim, but also that the opportunity to kick start individual journeys toward greater independence are lost.

Departmental resources will be stretched and the DWP need to make use of all of its strengths, including its data and its partnerships with local support providers, to make it a success. Policy in Practice can offer effective and practical support on both these counts.

Through our work and engagement with local welfare providers, and our experience of supporting people through natural migration, we have been confronted with some of the most salient issues related to both policy and practice. Equally, we have witnessed a number of success stories. Reflecting upon this experience, we have formulated a series of key lessons learnt and recommendations for managed migration.

Policy in Practice uses administrative data to:

- identify the impact of Universal Credit on households before they migrate across
- track the outcomes of households as they move onto Universal Credit, and
- engage households via clear calculations, explanations and advice that helps people take control

Our work with administrative data on legacy claims, and our analytical engine that factors in complexities including council tax support, free school meals and advice on actions people can take, could be used by the Department to plan for migration and target individual households with tailored support.

Our analysis for local councils shows that nine in ten applications for a Discretionary Housing Payment (DHP) are successful, but only one in five households that need a DHP apply. Councils use our analysis to target DHPs more effectively, and we believe the DWP can do the same to better target Universal Support.

Our core recommendations are:

1. Rollout managed migration on a geographical basis, with detailed analysis on each geography prior to managed migration to help the DWP and their partners resource and co-ordinate support effectively
2. Supplement rollout with targeted and tailored communications to every household before they are asked to migrate, and a personalised support offer as they move onto Universal Credit
3. Offer more comprehensive support to help people not only move onto Universal Credit, but also take practical steps to increase their income, reduce expenditure and move towards independence

Our recommendations ensure vulnerable people are offered and can access support. At the same time, more able claimants can make an efficient online claim and see the financial benefits of Universal Credit, as they move into and progress in work. We focus departmental resources to where they can be most effective, deliver long term benefits via the managed migration process, and ensure the first experience that millions of people will have of Universal Credit is positive.

AUGUST 2018

BACKGROUND AND CONTEXT TO MANAGED MIGRATION

Managed migration describes the transfer of existing legacy benefit claims to Universal Credit, where there has not been a change of circumstances that has resulted in a 'natural' transfer to Universal Credit.

When the managed migration takes place, claimants will receive transitional protection if their entitlement to Universal Credit is lower than their entitlement to existing legacy benefits. On current plans, the managed migration exercise is due to begin in January 2019 with some early, small-scale testing, and then is due to continue in earnest from July 2019, lasting until 2023.

DWP estimate that approximately 2.09 million households (2.87 million individuals) will migrate from existing benefits to UC. This equates to 69,000 households (95,000 individuals) per month when 'migrating at pace'. Of those being 'managed migrated', most currently receive tax credits (54% - 1.12m households) or ESA (36% - 745,000 households). 55% of the tax credit recipients also receive Housing Benefit. Many will have been receiving benefits for some time and, in respect of ESA claimants, will be among the most vulnerable claimants.

This is a massive exercise for DWP and its partners. Our briefing note focuses first on regulation changes we think ought to be considered, and then looks at how best the significant administrative challenges can be met.

KEY ISSUE 1: REGULATIONS

Backdating

The Universal Credit regulations allow backdating for up to a month in certain limited and defined circumstances. With the best will in the world, there will be a handful of cases where a Universal Credit claim is delayed, and it will be hard to restrict backdating to only one month. There may be exceptional cases where there is a combination of vulnerability, difficult circumstances such as disability and administrative error which mean the Universal Credit claim is submitted very late. Real hardship is likely to result without backdating.

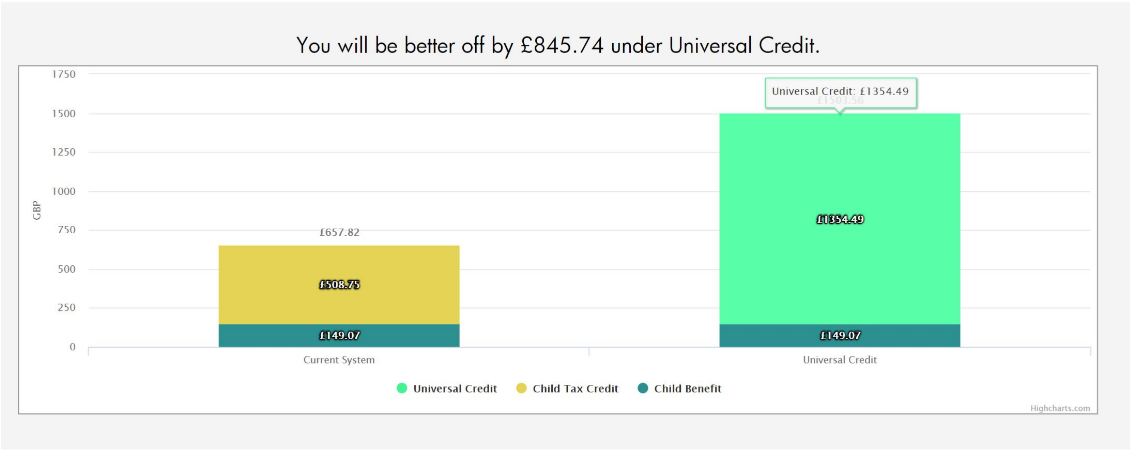
Therefore we believe that more flexibility is required and that backdating should in these very exceptional circumstances, such as for those who are clearly vulnerable and receiving ESA for example, be extended to a maximum of 3 months.

£16,000 savings disregard for 12 months

The regulations under consideration by the Committee introduce a transitional capital disregard for recipients of tax credits, which lasts for 12 months. This means that tax credit claimants will not suddenly fall foul of the Universal Credit capital rules and will be eligible for Universal Credit for a limited period despite having more than £16,000 in capital.

However, this also means that such claimants will receive the housing element of Universal Credit where previously they would not have received Housing Benefit because of the capital rules. Some people could gain very considerably as a result.

For example, a single parent with 2 children, savings of £20000 and rent of £800/month would have received £508.75 under legacy benefits but would receive Universal Credit of £1354.49/month, albeit only for 12 months. This seems very generous and we recommend that the impact of the regulation change is checked to ensure that the policy intention is met.

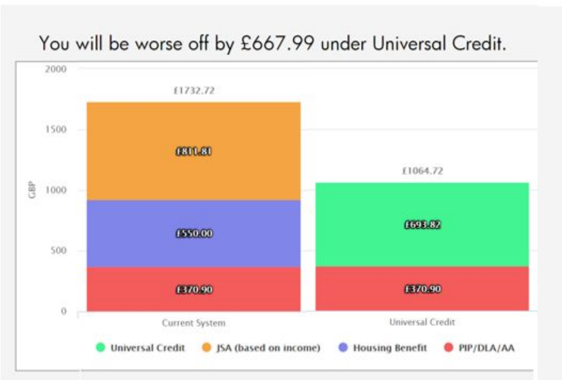


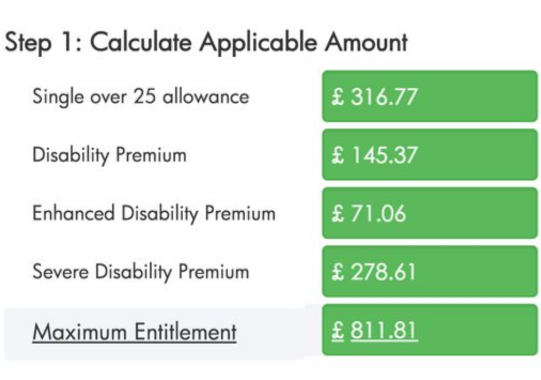
Severe disability premium concession

The latest transitional regulations also introduce a concession for recipients of the severe disability premium in legacy benefits. After a certain date (yet to be determined) they will no longer migrate naturally to Universal Credit following a change in circumstances, but will stay on legacy benefits until the managed migration exercise. Those already subject to natural migration will be compensated but only by the amount of the severe disability premium.

The concession is, of course, very welcome, but it means that those claimants who are ultimately managed-migrated will be much better off than those who migrate naturally. For example, a single person, with rent of £550/month, who receives DLA and gets the disability, enhanced disability and severe disability premiums, will be worse off by £667.99/month under Universal Credit. Under the new arrangements, those who have naturally migrated will get compensation to the tune of £280/month (equivalent to the SDP). They will therefore be worse off by £387.99/month. However, those moving under managed migration will get the full difference of £667.99 met by transitional protection as it will cover all disability premiums.

In order to avoid a further legal challenge and adverse publicity (simplifying the structure of Universal Credit at the expense of disabled people), there is a case for offering more protection for all those who have been assessed as unlikely to be able to work. The Department should consider offering more compensation to those severe disability premium recipients who have migrated naturally and should also consider making the same concession to recipients of the enhanced disability premium as for those getting the severe disability premium.





KEY ISSUE 2: ROLLOUT

How will managed migration will be implemented?

We do not yet know how the rollout of managed migration will be organised. For example, it could be by case type (perhaps starting with the easiest) across all areas, or it could be geographical by Jobcentre area.

We think geographical rollout will work best, as in the rollout of Universal Credit full service. This will facilitate best use of advanced analytical techniques to target individual households in specific areas, with tailored support based on their specific circumstances. This information will be vital for all organisations involved in supporting claimants through the migration, particularly local authorities, and a lot of support will be needed.

Policy in Practice can model the impact of the Universal Credit transition for each individual claimant, based on their current claim information, held within their Housing Benefit records or within the Customer Information System. This can inform the order in which claimants are migrated. It can help third parties involved in providing support by giving them data broken down by council, JCP area, or ward and neighbourhood level, allowing them to understand how migration will affect service in their area. This promotes positive engagement, can inform resource planning and facilitates partnership discussion, ensuring support is available while effort is not duplicated.

What information will be given to claimants and is it enough?

DWP intend to provide claimants with general information first. This will cover the ending of existing benefit claims and the need to make a UC claim. It will give advice about support and preparation (for example, opening a bank account).

Then, claimants will receive a second notification which will tell them that they need to make a UC claim by a certain day. They will normally have a month to make the UC claim but this can be extended, either at the outset or during the notification period, where there is good reason to (for example, complex needs, vulnerability, domestic emergency). Two reminders will be issued during the notification period.

However, the notifications the Department intends to send will not be tailored to claimants' specific circumstances. We know from behavioural experiments that messages tailored to the individual are more likely drive engagement and action, and this seems like too good an opportunity to miss.

Policy in Practice modelling can inform how best to communicate with different types of claimant. We can identify potentially vulnerable claimants by assessing their financial resilience, and advise them of their eligibility for low cost utility tariffs. More self-sufficient claimants can be directed to self-serve, and also be offered advice on taking a job or increasing hours.

So while the intention to provide clear and helpful information is welcomed, we believe that this should be supplemented with targeted and tailored communications to every household before they are asked to migrate, and a personalised support offer as they move onto Universal Credit.

What support will be available to claimants to make and manage their claim?

If possible, it would be preferable to pre-populate initial UC claims with data from the existing benefit claim(s) which the claimant could then agree and update within, say, 3 months. (In 1988, recipients of Supplementary Benefit were deemed to have made an automatic claim for Income Support.) If this is a step too far, DWP should allow maximum flexibility to both extend the deadline day for making a claim and to allow backdating in any reasonable circumstances. Evidence suggests that claimants find it difficult to make and manage online claims and will need as much help as possible. Decision-makers should be trained to exercise maximum flexibility and not just stick by a set script.

The new provisions announced by the Government in late 2017 will all apply (no waiting periods, easier advance payments and the two-week HB run-on if the claimant is receiving HB immediately prior to making the new UC claim and has complied with the managed migration process). These are positive steps which should help claimants through the claim process.

What wider support will be available to claimants, and how will it be funded?

Many claimants will need support, either from DWP or from a third party, both to interpret and to act on the notifications. Some of the most vulnerable claimants will be involved. They will need good telephone back up and expert help from well-trained DWP staff. Local authorities and others will need clear guidance, with very good communications. We believe that additional funding will be required to make the support fully effective. But we absolutely must make best use of existing resources and we firmly believe we can help with targeting help to where it is needed most.

Our work can also inform the type of support claimants are offered to help them through the transition. We can offer help to make households more financially resilient, for example helping them to claim help with council tax, how to lower fuel and water bills or showing how to cope with existing arrears. If appropriate, this could also include help with better off in work calculations including the availability of and eligibility for childcare. This could be loaded into a calculation for face-to-face support, as part of a verification visit.

Successful local interventions often involve a multi-agency approach to the delivery of local support. In this context, reliable information that can be easily accessed is an essential condition. Through our work we have found that this condition is not always met in Universal Credit full service areas due to a lack of a systematic sharing of information on Universal Credit claimants between the local Jobcentre Plus office and local authorities. Because of this, households on Universal Credit are more likely to fall through the net of support available to them.

New national regulations and guidelines on the accessibility of Universal Credit data could help overcome this barrier. Alternatively, guidance built into frontline advice, and data sharing to identify affected households and provide relevant guidance in advance, can help advisers and frontline organisations to deliver on the government's commitment to Universal Support.

How will DWP evaluate the success of the migration exercise?

The DWP should monitor, in a systematic way, families affected by managed migration in the months following the reform. This should go beyond what is currently envisaged under the current monitoring and evaluation plan.

Policy in Practice is currently tracking half a million households to find out how factors such as housing, jobs, childcare and financial resilience affect their living standards. As part of this we will be able to track households moving onto Universal Credit through managed migration, and understand the proportion that move into work and those that move into financial hardship, incurring additional costs. We believe that a similar initiative involving the rigorous monitoring and scrutiny of policy outcomes should be embedded in the way managed migration is implemented and delivered at a national scale.

Only through this exercise will it be possible to fully assess the extent to which the policy has been successful in migrating people across, and in achieving its broader objective of changing behaviour. This represents a key pillar of an outcome-based approach, allowing full accountability of the government's role considering the outcomes achieved.

How will anomalies between claims on legacy benefits and Universal Credit be handled?

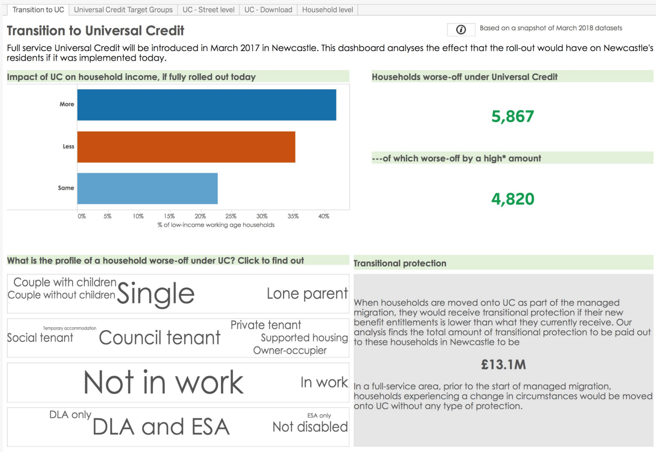
The managed migration exercise is likely to throw up quite a few cases where household circumstances have changed but the local authority has not been informed. These changes will be recorded as people move onto UC and have to verify their claim. At this point, it will become clear that the existing payment of Housing Benefit is incorrect.

The local authority will then trigger an overpayment calculation which will end up being recovered by DWP, potentially at 20% of the standard allowance. This will have a doubly negative impact on the perceived UC award, first through the overpayment itself, and then through its recovery. The Department should consider ignoring small-value overpayments as part of the migration exercise or at least be flexible with the level of recovery enforced.

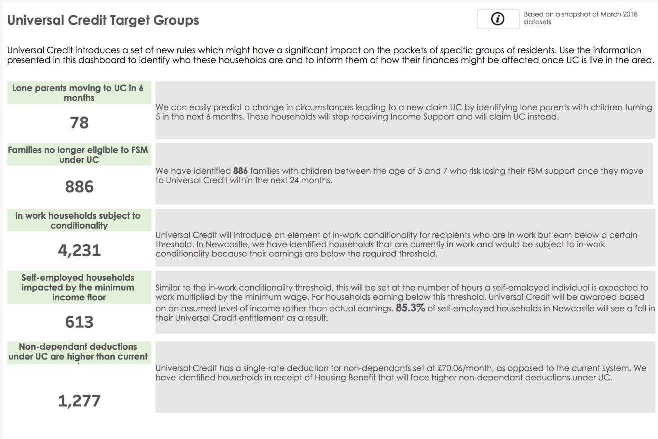
CASE STUDY: USING HOUSEHOLD LEVEL DATA TO SUPPORT MANAGED MIGRATION ONTO UNIVERSAL CREDIT

Local authorities are implementing similar approaches to those outlined in this briefing note. This is helping them to identify, engage and track the outcomes of people migrating naturally onto Universal Credit, in order to better target Universal Support.

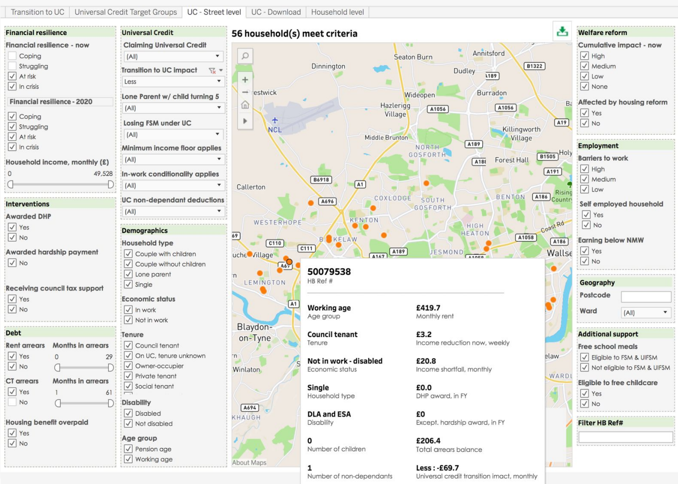
1. This screenshot shows how Newcastle City Council can quickly identify which households are worse off and better off on Universal Credit, and which types of households are most heavily affected, in this case single people, council tenants, who aren't in work and in receipt of DLA / ESA.



2. They can quickly identify which households to target for Universal Support and consider what support may be most appropriate for different groups, childcare support for the first group, for example.

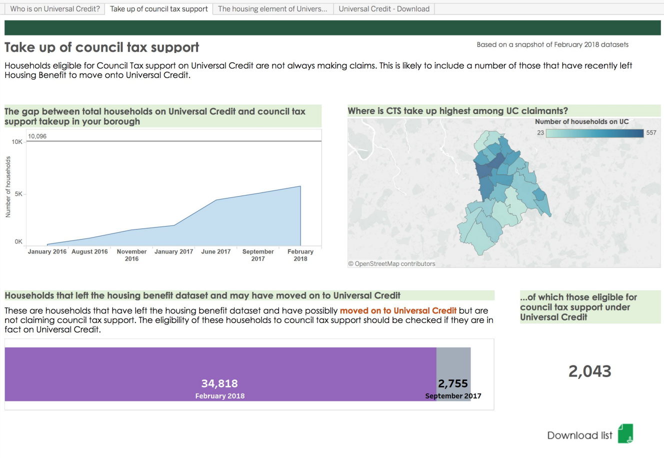


3. This screen shows how Universal Support can be pinpointed to households already in arrears, with low financial resilience today, who will receive less under Universal Credit as transitional protection is eroded.



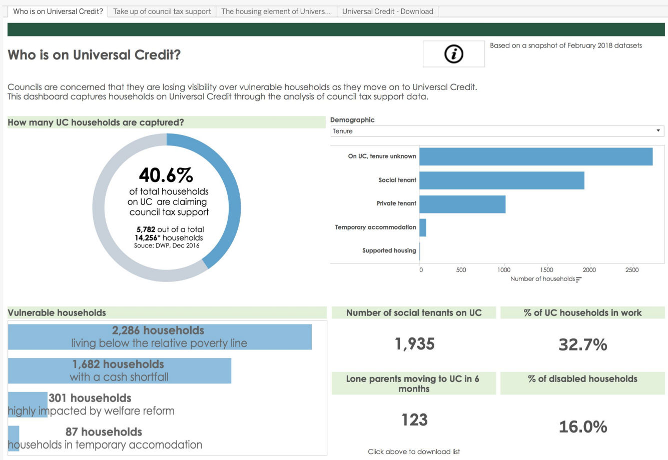
4. You can identify which households are eligible for the local council tax support under Universal Credit (pictured). All eligible households should be directed to claim council tax support as they migrate onto Universal Credit.

You can also identify who may qualify for other support including free school meals, the pupil premium, free childcare support or reduced utility bills.



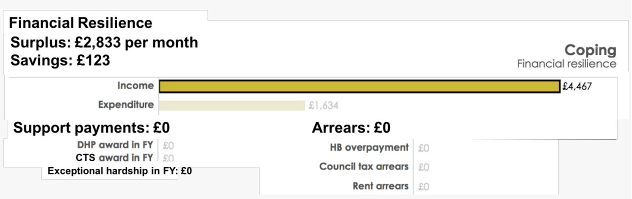
5. The dashboard can use information on council tax support claims to track around 40% of households on Universal Credit.

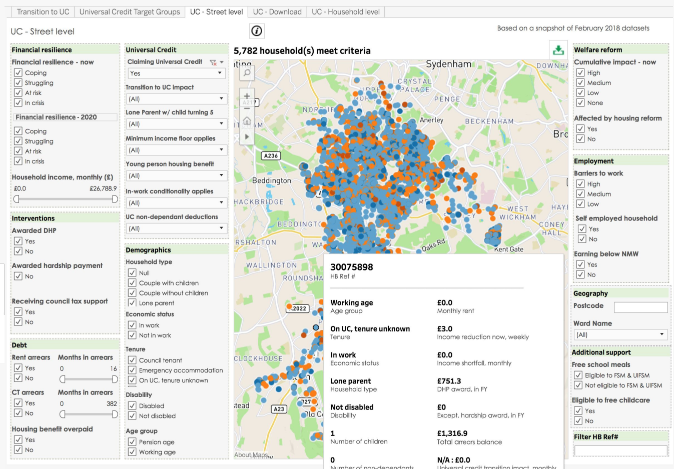
You can quickly see comparable metrics for this group, such as the proportion in work. This means you can see where rollout is going well, and where you need to target more support.



6. You can drilldown at the click of a button to see the 5,782 households on Universal Credit.

Hovering over allows you to see key information about the household, including information on their financial resilience.





The applications for data-led analysis to support managed migration are powerful, and myriad. We believe rollout should occur by geography (by JCP or by local authority) and mixed caseload be migrated over in a staggered way to ensure resources are available to deliver tailored support.

Rolling out Universal Credit local area by local area will help both the DWP and local support organisations, including local authorities, to plan and resource their support. These plans can help to ensure local support is adequately funded and resourced.

Migrating a mixed caseload in a staggered way over the four years helps to avoid an unnecessary focus on 'winners' and 'losers' moving onto Universal Credit at particular times, and avoids debates around who should be migrated first.

- Migrating people who stand to lose out onto Universal Credit quickly, to ensure they receive transitional protection
- Alternatively, moving people that will be better off on Universal Credit first will mean Universal Credit is more likely to be well received locally.

While the DWP will no doubt be modelling income under legacy benefits alongside Universal Credit in order to calculate the transitional protection award, we understand that the scope of this won't include modelling eligibility for other support, which we feel is a missed opportunity to help ensure people are aware of the ability to access childcare and move into work faster, or apply for utility discounts, to help with low financial resilience.

Ultimately, the choice is between delivering a generic managed migration process to all households, versus a much more tailored, personalised approach. We believe this opportunity to engage households should be seized, with the ambition not only to help people onto Universal Credit, but also to help people take steps toward independence.

ABOUT POLICY IN PRACTICE

Government policy is complex, confusing and difficult to navigate. It tends to focus on the impact of individual policies in isolation, rather than the overall impact it has on each individual citizen.

Policy in Practice is a policy-led software and analytics business founded by one of the architects of Universal Credit. We help people toward independence by making government policy and the benefit system easier to understand and navigate.

Our policy engine models over 4,000 pieces of legislation, updated in real-time, across four government departments. This helps people to understand the combined impact of policy changes on them, and they can identify the choices they can make to become better off, and to lead more fulfilling lives.

We help over 150 local organisations, and over 10,000 people each day to navigate the benefit system, to take control steps toward independence. We have built an analytics platform that tracks the living standards and the changing lives of over a million low-income households over the past two years.

Our analysis shows how each individual household is affected by all policy changes, now and in the future. Our work has had an impact on national policy, and is helping local authorities to target resources, meet their statutory obligations and spend money more effectively. A scientific approach to data visualisation drills down from national analysis to individual households, and links into engaging, tailored support to help people to take control and become better off.

We believe that administrative data is the future of social policy analysis, and can help the public sector to deliver more with less. We look forward to working with you to make this vision a reality.

FURTHER INFORMATION

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