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Estimates Day debate: The spending of the Department for Work and Pensions

On Tuesday 4 July 2023, there will be an Estimates Day debate on the spending of the Department for Work and Pensions (DWP), with a focus on Universal Credit.

The subject of this debate was selected by the Backbench Business Committee and proposed by the Chair of the Work and Pensions committee, Sir Stephen Timms MP. The debate will take place in the House of Commons Chamber.

The budgetary limits sought by DWP for financial year 2023/24 are:

- **£265.5 billion** for Resource AME
- **£9.0 billion** for Resource DEL
- **£0.8 billion** for Capital DEL
- **£0.3 billion** for Capital AME

1 Main Estimates 2023/24

1.1 The Estimates process

One of the key principles of the British constitution, going back many centuries, is that the Government may not spend money without Parliament's approval.[1] This approval is given through the Estimates process, in which the Government lays a document before the Commons with the amounts that it is requesting, and the Commons then votes on whether to approve these.

More details on the process can be found in section 1 of the Library's briefing on the most recent Main Estimates, which passed the House in May 2023.[2]

Estimates motions are usually considered at two points in the year: Main Estimates in the summer and Supplementary Estimates in the spring.[3] The Main Estimates present the amounts that each Government department expects to spend over the financial year. Just before the end of that financial year, the Supplementary Estimates then update those totals for changes that happened during the year.

The 2023/24 Main Estimates were published on 18 May 2023.[4]

Types of spending

Within each Estimate, spending is divided into four distinct budgetary limits, each of which covers spending of a specific type determined by HM Treasury. Changes to the categorisation of spending between categories require prior consultation with parliament.

Departmental Expenditure Limits (DELs) cover net spending which is subject to limits set in Spending Reviews and which it is assumed government departments can control:

- **Resource DEL** (also referred to as 'day-to-day spending') covers costs of running the organisation and purchasing goods and services. It is mainly staff costs, current grants, rent, maintenance costs, and depreciation.
- **Capital DEL** (also referred to as 'investment spending') covers the purchase, disposal and major improvement of assets, and some financial

1 See discussion in chapter 33 of Erskine May, particularly paragraph 33.2, Financial relations between the Crown and Parliament.
2 Commons Library briefing CBP-9805, Main Estimates: Government spending plans for 2023/24, 26 May 2023, section 1
3 Supplementary Estimates are usually considered at the same time as Votes on Accounts and Excess Votes, as well as Ministry of Defence Votes A.
4 HM Treasury, Main Supply Estimates 2023 to 24, 18 May 2023

transactions. In DWP, it is mainly Social Fund Funeral Expense Payments and loans to public corporations.

Annually Managed Expenditure (AME) covers net spending which is more difficult to control and forecast, and which is not subject to Spending Review limits:

- **Resource AME** covers benefits and state pensions; some impairments; and provisions for liabilities.
- **Capital AME** covers some financial transactions. For DWP, it is mainly Universal Credit advances to customers, and payments of Support for Mortgage Interest loans (less repayments from customers).

1.2 Summary of the DWP Estimate

The budgetary limits sought by DWP for financial year 2023/24 are:

- **£265.5 billion** for Resource AME
- **£9.0 billion** for Resource DEL
- **£0.8 billion** for Capital DEL
- **£0.3 billion** for Capital AME

DWP has a relatively large budget for AME because of its significant expenditure on state pension and benefits, including Universal Credit.

More detail on these figures, including changes since last year's budget, can be found in section 4.1 of the Library's briefing on the Main Estimates[5] and in the Memorandum to the Estimate.[6] The Memorandum to the Estimate was prepared by DWP to support scrutiny of its spending by the Work and Pensions Committee and the House of Commons Scrutiny Unit.

Universal Credit

Universal Credit has its own subhead – 'M Universal Credit' – within Annually Managed Expenditure (AME). The estimated budgets for Universal Credit for financial year 2023/24 are:

- **£50,819 million** in Resource AME. This is an increase of £6,723 million (+15%) compared with last year's final budget of £44,096 million.

[5] Commons Library briefing CBP-9805, Main Estimates: Government spending plans for 2023/24, 26 May 2023, section 4.1

[6] DWP, Main Estimate 2023-24 Select Committee Memorandum, May 2023

- **£217 million** in Capital AME, representing capitalised Universal Credit advances. This is an increase of £87 million (+67%) compared with last year's final budget of £130 million.

Universal Credit is 18% of DWP's total Resource budget (both DEL and AME) and 19% of DWP's total Capital budget (both DEL and AME) for the year.

Universal Credit is the second-largest component of DWP's Resource expenditure after the State Pension, and the second-largest component of Capital expenditure after the Core Department (which is within Capital DEL).

Universal Credit is gradually replacing certain equivalent benefits administered by DWP, including income-based Jobseeker's Allowance (JSA), income-related Employment and Support Allowance (ESA), Income Support, and Housing Benefit for working-age people. Child Tax Credit and Working Tax Credit, administered by HMRC, are also being replaced by Universal Credit.

The table below shows the estimated expenditure for 2022/23 and 2023/24 for Universal Credit and these equivalent benefits.

Annually Managed Expenditure on Universal Credit and legacy benefits
£ millions

			Change	
	2022/23	2023/24	£ millions	%
Universal Credit	44,097	50,819	+6,723	+15%
ESA (non-contributory)	7,914	8,244	+331	+4%
Income Support	670	618	-52	-8%
JSA (non-contributory)	199	142	-57	-29%
Housing Benefit	14,458	14,297	-160	-1%
Child and working tax credits (HMRC)	10,582	8,768	-1,814	-17%

Note: Housing Benefit figures include all Housing Benefit, not just the Housing Benefit for working-age people being replaced by Universal Credit.

Source: Main supply estimates 2023/24

The 15% increase in Universal Credit expenditure is due to a combination of the 10.1% benefit uprating applied from April 2023 and increased caseload, much of which is due to the migration of legacy benefits. DWP estimate that the Universal Credit caseload will increase by around 8% between 2022/23 and 2023/24, rising from 4.28 million to 4.64 million.[7]

[7] DWP, Benefit expenditure and caseload tables: Spring Budget 2023, 25 April 2023

2 Universal Credit: background and key developments

2.1 Overview of UC

Universal Credit (UC) is replacing a range of existing means-tested benefits and tax credits for working-age households ("**legacy benefits**"). The aims of UC are to simplify and streamline the benefits system for claimants and administrators, improve work incentives, tackle poverty among low income families, and reduce the scope for fraud and error. UC is wholly administered and delivered by the Department for Work and Pensions in Great Britain.[8]

At February 2023, 5.0 million households in Great Britain were on UC, of which 4.5 million were households receiving payments.[9] The DWP estimates that when the caseload rollout is complete, around 6.5 million households in Great Britain will benefit from UC.[10]

Universal Credit awards comprise a **standard allowance** with **additional amounts** for children, housing and other needs and circumstances such as childcare and caring. The actual amount a household receives will however depend on its income and savings.

Unearned income – such as income from certain benefits, or an occupational pension – will usually reduce the maximum UC award on a pound for pound basis. **Earned income** – income from employment or self-employment – will reduce the UC award at a constant rate (the "**single taper**"), although some households keep some of their earned income (the "**work allowance**") before it begins to affect their UC.

The taper rate was originally 65p for each additional pound of net earnings. From April 2017 it was reduced to 63p in the pound, and in November 2021 to 55p in the pound (alongside an increase in work allowances for eligible households equivalent to £500 a year).

UC awards are calculated on an ongoing basis and increase or decrease each month in response to changes in income and other factors.

The financial support provided by Universal Credit is underpinned by a "**conditionality**" framework setting out the responsibilities claimants may be required to meet. The level of requirements will depend on the claimants'

8 In Northern Ireland, the Department for Communities is responsible for Universal Credit.

9 Source: DWP Stat-Xplore

10 DWP, Main Estimate 2023-24: Select Committee Memorandum (PDF), May 2023, section 3.3

circumstances. The conditionality framework is backed up by a **sanctions** regime for non-compliance.

Claimants are normally expected to make a claim for Universal Credit online and to manage their claim, including reporting changes in circumstances, via an **online account**.

UC is **paid monthly** in arrears and, unless exceptional circumstances apply, as a **single payment** covering all the household's needs.[11] Couples can choose which partner receives the payment, or nominate a joint bank account.

UC awards are calculated on an ongoing basis and increase or decrease each month in response to changes in income and other factors.

Since April 2019, the DWP has been funding Citizens Advice and Citizens Advice Scotland provide a **Help to Claim** service to assist new UC claimants with the early stages of their claim. In June 2023, the DWP issued an invitation for organisations in England, Scotland and Wales to apply for funding to provide a **Future Support Offer** to replace Help to Claim, for people claiming UC from 2024 to 2026.[12]

Further information

Commons Library briefing CBP-9211, Universal Credit: a reading list

Universal Credit information sources, Commons Library constituency casework page

GOV.UK, Understanding Universal Credit

11 There are different payment options for UC recipients in Scotland; see Child Poverty Action Group in Scotland, Universal Credit Scottish Choices, 30 November 2022

12 DWP, Apply for Future Support Offer 2024 grant funding to support people to claim Universal Credit, 19 June 2023

2.2 Changes to UC levels, work allowances and the taper rate

Key parameters of Universal Credit have changed since the original legislation was agreed.[13] Key policy changes since 2010 include:

- Reducing the work allowances for most UC claimants, from April 2016 (announced in the Conservative Government's July 2015 Summer Budget).
- Limiting the child element of UC to two children and removing the family element for new claims (with equivalent changes to tax credits), from April 2017 (July 2015 Budget).
- Freezing most working age benefits – including most UC elements – for four years (annual increases having previously been limited to 1% for three years from 2013) (July 2015 Budget).
- Reducing the UC taper rate from 65% to 63%, from April 2017 (Autumn Statement 2016).
- Increasing the work allowances by £1,000 a year, for households with children or with people with disabilities, from April 2019 (Autumn Budget 2018).
- A temporary increase ("uplift") of £20 a week to the UC standard allowance (and an equivalent increase to Working Tax Credit) in 2020-21 and the first six months of 2021-22. The Government said the uplift was intended to "strengthen the safety net" during the Covid-19 pandemic, as part of a wider package of measures to support household finances.[14]
- Increasing Local Housing Allowance rates (which had been frozen since 2010), to the 30th percentile of local rents in 2020-2,1 before freezing rates again in cash terms from 2021-22 onwards.
- Reducing the taper rate from 63% to 55%, alongside a £500 per year increase to work allowances for households eligible for a work allowance, from November 2021 (Autumn Budget 2021).
- Changes to UC childcare support, including increasing the childcare element to £951 for one child and £1,630 for two children from July 2023,

[13] For more detailed policy timeline for Universal Credit – from initial proposals put forward by the Centre for Social Justice to June 2018 – see section 1.1 of Commons Library briefing CBP-8299, Universal Credit roll-out: 2018-19

[14] HM Treasury, The Chancellor Rishi Sunak provides an updated statement on coronavirus, 20 March 2020

and reimbursing parents moving into work for the first month's childcare costs upfront (March 2023 Budget).

The £20 a week uplift was welcomed across Parliament and by welfare rights organisations.[15] Despite calls for the uplift to be maintained permanently, it was eventually withdrawn in October 2021, although the increase to the work allowances and the reduction in the taper rate took effect from the following month.

The Resolution Foundation calculated that the combination of these changes and the withdrawal would result in 73% of families on UC in 2022/23 being worse off, and 27% better off. Non-working families on UC did not benefit from the work allowance and taper rate changes and experienced the full impact of the removal of the £20 a week uplift.

For further information on these changes, see:

- Commons Library Insight, Reducing the Universal Credit taper rate and the effect on income, 1 February 2022
- Resolution Foundation, Taper cut: Analysis of the Autumn Budget changes to Universal Credit, 6 November 2021
- Waters T and Wernham T, Budget measures bring number of families entitled to Universal Credit to 7 million, IFS Comment, 8 November 2021

2.3 Impact of UC

Changes in household entitlements

The table below – from the DWP policy paper Completing the move to Universal Credit[16] – gives results from the Department's analysis of how UC as a whole compares to what households would have been entitled to if all claimants had remained on legacy benefits or tax credits. This 'steady state' analysis was originally produced in 2012, and the latest analysis incorporated various policy changes made since then.

It is important to highlight that the majority of individual households on UC are unlikely to have had the same underlying circumstances that they had when under the legacy benefits or tax credits system and the analysis does not take account of any protections received for those moving from legacy benefits. Therefore, while this 'steady state' analysis is important in comparing the two systems at an aggregate level, for individual households

15 See Commons Library Debate Pack CDP-2021-0138, Opposition Day Debate: Universal Credit and Working Tax Credit, 15 September 2021

16 DWP, Completing the move to Universal Credit, updated 6 June 2022

these are likely to be theoretical or 'notional' changes in entitlement rather than a direct cash gain or loss.

Also, the fundamental change to the system means there are a range of impacts on notional household entitlements. Eligible households with a lower calculated award in UC than their legacy benefits will be eligible for transitional protection if moved to UC under managed migration (see section 2.4 below), so they would see no difference in their entitlement at the point they move to UC.

With these caveats in mind, the DWP analysis estimated that once UC is fully rolled out and in steady state, 3.8 million households (53%) will have a higher notional entitlement on UC, with 2.2 million households (30%) having a lower entitlement, before any protections are applied. 1.2 million (17%) were estimated to have no change in notional entitlement.

The overall 2012 Impact Assessment had estimated that 37% of claimants would have a higher notional entitlement, with 34% having a lower notional entitlement, and 29% of claimants having no change.

Estimated change in notional household entitlements on Universal Credit by hierarchical legacy benefit type

Legacy benefit	Higher	No change	Lower (before protections)	**Total**
No legacy equivalent	600,000	0	0	**600,000**
JSA	<50,000	500,000	100,000	**600,000**
ESA	1,000,000	300,000	1,000,000	**2,200,000**
Income Support	100,000	400,000	200,000	**600,000**
Tax Credits	1,800,000	<50,000	800,000	**2,700,000**
Housing Benefit only	300,000	100,000	100,000	**400,000**
Mixed aged couples	<50,000	<50,000	<50,000	**<50,000**
Total number	**3,800,000**	**1,200,000**	**2,200,000**	**7,200,000**
Total percentage	**53%**	**17%**	**30%**	

Note: This analysis is presented in a hierarchy to avoid double counting. This means for those households in receipt of more than one legacy benefit they are included in the first row of the table in which they are in receipt of that benefit. For instance a household in receipt of JSA, Tax Credits and Housing Benefit would be classified as 'JSA' and a household in receipt of Tax Credits and Housing Benefit would be described as 'Tax Credits'. Totals may not sum due to rounding.

Source: DWP, Completing the move to Universal Credit, updated 6 June 2022

UC Full Business Case

On 7 June 2018 the DWP published a summary of the Full Business Case for the Universal Credit programme.[17] In a foreword to the summary, Neil Couling, Senior Responsible Owner of the UC programme, said that the Business Case "clearly demonstrates that Universal Credit provides value for money and huge benefits for claimants, the broader population and the economy as a whole."

Key Business Case estimates included:

- A Net Present (social) Value (NPV) of £34 billion (over 10 years) compared to a total investment cost of £2 billion.
- In steady state UC would generate economic value of £8 billion a year.
- This NPV reflected positive economic impacts from UC increasing the number of individuals in employment by around 200,000 and increasing the total number of hours worked by 113 million per year for those already in work.
- Universal Credit operational costs broke even against legacy operational savings from 2019/20 and were reduced in steady state by over £0.3 billion on a like for like basis. This saving would fund labour market support to an additional 1 million claimants not supported in legacy benefits.
- Net Departmental Expenditure Limit (DEL) savings, even after funding the additional labour market costs, was around £100 million in steady state.

The following extract summarises the key findings regarding economic benefits:

> - £34 billion is total estimated economic value of Universal Credit (NPV) consisting of:
>   - £19.3 billion from people choosing to work or work more
>   - £8.7 billion from distribution of welfare payments
>   - £7.5 billion from reduced fraud and error
>   - £1.2 billion Net DEL costs
> - £ 8 billion – per year in steady state
>
> **Sources of Economic Benefits**

[17] DWP, Universal Credit Programme full business case summary, June 2018

A. Impacts resulting from individuals choosing to work / work more under Universal Credit:

- £5.2 billion – at steady state
- £19.3 billion – over the 10 years of the business case

B. Impacts resulting from differences in the level and distribution of welfare benefit payments:

- £2.7 billion – at steady state
- £16.2 billion – over the 10 years of the business case

C. Impacts resulting from changes in the costs of administering Universal Credit compared with the existing system:

- £0.3 billion – Operational savings per year in steady state (DEL)

Of the 200,000 individuals (in steady state) expected to move into employment as a result of Universal Credit:

- approximately 110,000 would be due to increases due to financial incentives
- approximately 30,000 would be due to additional conditionality
- approximately 60,000 would be due to the simplicity of the system and the smoother transitions into work compared to the legacy system

The DWP analysis also estimated that those already in employment would work around 113 million additional hours (net) per annum under UC "due to improved incentives for those already in work".

National Audit Office report

On 15 June 2018 the National Audit Office (NAO) published a report, Rolling out Universal Credit.[18] The NAO found that while some elements of UC were working well, with evidence of good relationships between work coaches and claimants, and significant improvements in systems since they were first introduced, some claimants had struggled to adjust to UC. It noted:

- Evidence from local and national bodies had suggested a significant number of claimants suffered difficulties and hardship during roll-out of the Full Service, as a result of issues with the design of UC and its implementation.
- The Department had found it difficult to identify and track those it deemed vulnerable – it had not measured how many UC claimants were

[18] NAO, Rolling out Universal Credit, HC 1123 2017-19,

having difficulties because it did not have systematic means of gathering intelligence from delivery partners.

- DWP did not accept that UC had caused hardship among claimants, because of the availability of advances. However, its own survey of Full Service claimants published in June 2018 had found that four in ten claimants surveyed were experiencing financial difficulties.

- One in five claimants had not received their full payment on time.

- UC was creating additional costs for local authorities and other organisations that help administer Universal Credit and support claimants. The DWP had acknowledged and compensated local authorities for some additional costs, but had placed the burden of proof on local authorities to prove them and had not sought to systematically collect data on these wider costs.

- Organisations told the NAO that DWP had been "unresponsive" to issues they had raised.

NAO noted that the DWP's Full Business Case for UC (see above) stated that the Department expects UC eventually to deliver £8 billion of net benefits of year, but added that this "depends on some unproven assumptions." NAO had "significant doubt" about the main benefits of UC. It said:

- It was not known whether the employment impact identified in early evaluations could be replicated across the programme.

- It was not clear that UC would cost less to administer than existing benefits.

- DWP did not know whether UC was reducing fraud and error.

The NAO stated that "The Department will never be able to measure whether Universal Credit actually leads to 200,000 more people in work, because it cannot isolate the effect of Universal Credit from other economic factors in increasing employment."[19]

The NAO's overall conclusion on value for money was:

> 17 We think that there is no practical alternative to continuing with Universal Credit. We recognise the determination and single-mindedness with which the Department has driven the programme forward to date, through many problems. However, throughout the introduction of Universal Credit local and national organisations that represent and support claimants have raised a number of issues about the way Universal Credit works in practice. The Department has responded to simple ideas to improve the digital system but defended itself from those that it viewed as being opposed to the policy in principle. It does not accept that Universal Credit has caused hardship among

[19] As above, Executive Summary, para 16

> claimants, because it makes advances available, and believes that if claimants take up these opportunities hardship should not occur. This has led it to often dismiss evidence of claimants' difficulties and hardship instead of working with these bodies to establish an evidence base for what is actually happening. The result has been a dialogue of claim and counter-claim and gives the unhelpful impression of a Department that is unsympathetic to claimants.
>
> 18 The Department has now got a better grip of the programme in many areas. However, we cannot judge the value for money on the current state of programme management alone. Both we, and the Department, doubt it will ever be possible for the Department to measure whether the economic goal of increasing employment has been achieved. This, the extended timescales and the cost of running Universal Credit compared to the benefits it replaces cause us to conclude that the project is not value for money now, and that its future value for money is unproven.

Lords Economic Affairs Committee report

In January 2020, the House of Lords Economic Affairs Committee launched an enquiry into the economic impacts of Universal Credit. This would investigate whether Universal Credit was meeting its original objectives, whether the policy assumptions reflected in its design awee appropriate for different groups of claimants and the extent to which UC met the needs of claimants in today's labour market and changing world of work.

Following a wide-ranging inquiry, the Committee's report, Universal Credit isn't working: proposals for reform, was published on 31 July 2020.[20]

The report noted that while the original plans for UC announced in 2010 had received quite widespread support in Parliament and amongst stakeholder groups, support appeared to be "seeping away" as UC was rolled out to more people. It said the way UC had been designed and implemented appeared to be "based around an idealised claimant" and it had features that were harming many, particularly the most vulnerable.

The Committee divided problems with UC's design and implementation into three main categories:

> 5. First, Universal Credit does not provide adequate security to claimants. We heard evidence that the level of support is simply not enough to live on. We were told that the five-week wait for the first payment, which is a consequence of the monthly assessment period, drives many people into rent arrears, reliance on foodbanks and debt. The operation of the monthly assessment period itself, combined with the consolidation of multiple benefits into a means-tested single award, can result in large variations in payments, making it nearly impossible for some claimants to budget reliably. We also heard that the rate at which Universal Credit is withdrawn from claimants can act as a disincentive to working or earning more.

[20] HL 105 2019-21

> 6. Second, Universal Credit fails to accommodate the reality of claimants' lives. It is designed around the idealised claimant; someone with one job who is paid monthly, has stable personal circumstances and can budget intuitively. However, the requirements that are placed on individuals when making and managing claims are often too rigid for those with different personal circumstances or more complex needs. More flexibility in the system is needed to ensure that Universal Credit can support all claimants sufficiently. The claimant experience is also designed to reflect a one-dimensional vision of the world of work, in which people are paid monthly in arrears for a 35-hour week. This ignores the significant minority who work part time or who are paid at intervals other than monthly and are used to budgeting accordingly. Those out of work also tend to budget on a shorter-term basis. In addition, the predominantly digital nature of Universal Credit requires most claimants to have access to, and be able to use, technology. This is least likely to be true for those in the lowest income groups.
>
> 7. Third, Universal Credit takes an overly punitive approach to enforcing simplistic behavioural requirements rather than providing holistic and lasting support. Benefit payments are conditional on claimants fulfilling work-related tasks that are sometimes poorly suited to their personal circumstances. Although their use has declined in recent years, financial sanctions for non-compliance are some of the most punitive in the world but evidence of their efficacy is mixed. Work coaches are largely responsible for helping and coaching claimants, but their time is too stretched for the lasting and tailored support that we heard is necessary to help people navigate the system and find work.

However, the Committee said it had received "overwhelming evidence that Universal Credit should not be replaced with a new system", not least because of the severe disruption that would cause for millions of people. Instead, the Committee said there should substantial reform to make UC "fit for purpose." This should be based on the following set of principles:[21]

> Universal Credit must:
>
> be grounded on dignity and respect—people from all backgrounds must feel comfortable and supported when interacting with public services.
>
> provide claimants with adequate income—and the system must be a safety net for avoiding extreme poverty and hardship.
>
> provide security and stability—income must be predictable;
>
> reflect the lived experience of claimants—they must be at the heart of its design and involved in devising solutions to problems;
>
> be flexible—it must accommodate a diverse range of personal circumstances and provide strong support to the most vulnerable;
>
> be fair to all claimants—policy design must be sensitive to its effects on people of different genders, disabilities, ages, black and minority ethnic groups, and those with other protected characteristics;

[21] As above, para 11

> use public money to meet objectives that are achievable—effective policy must be based on strong evidence to ensure that it is not counterproductive; and
>
> be understandable—but where necessary, free and intelligible advice must be available to all.

The Committee identified three main aspects of UC that required substantial reform:

- its design and implementation
- the adequacy of awards
- how it supports claimants to navigate the system and find work

The Committee added:

> We believe the original aims and objectives of Universal Credit remain broadly correct but without reform it will fail to deliver upon its promise. Moreover, without reform, we are concerned that it will fail to meet the basic requirement of a social security system: the provision of a dependable safety net.[22]

The Committee's report made a wide-ranging and comprehensive set of recommendations, including:

- The DWP should assess the proposal to that awards should be fixed at the same level for three months, in order to provide claimants with greater certainty and security of income.
- At the beginning of their claim all claimants should be allowed to choose whether to have their UC awards paid monthly or twice monthly (with the possibility to review this decision on an ongoing basis with their work coach).
- Introduce a non-repayable, two-week initial grant to all claimants. For claimants moving from legacy benefits to UC, this grant could replace the existing system of run-ons.
- Review the option of split payments (between partners in couples) by default.
- Address problems caused by the Minimum Income Floor (MIF) to ensure adequate and fair support for those in disparate forms of self-employment. This should include measuring the impact of the suspension of the MIF during the Covid-19 pandemic.
- Give all claimants the choice of having housing costs paid via an alternative payment arrangement, from the start of their claim.

22 As above, summary

- Remove childcare support from UC entirely, and explore alternative options to support childcare.
- Make the £20 a week uplift (introduced during the pandemic) permanent, and examine the adequacy of UC for all claimant groups.
- Remove mixed-age couples (couples where one partner is above, and the other below, State Pension age) from UC.
- Write off all historic tax credit debts.
- Review the level of the benefit cap, and remove the two-child limit.
- Give all claimants a work allowance, at a higher rate than currently.
- Consider reducing the taper rate.
- Review how conditionality should be reconstructed, in light of changes to the labour market.
- “Rebalance” conditionality, with more emphasis on and resources for personalised employment support for those who can work. Claimants should be able to agree their claimant commitment in two stages, to provide time to consider what support from the DWP would be of use, and to consider whether obligations discussed in the first meeting are appropriate.
- The DWP should expedite its work on introducing a written warning system before applying a sanction, ensure sanctions are a “last resort”.
- Before imposing a sanction, the DWP should conduct a hardship assessment before deciding on the level of sanction.
- The DWP should publish its sanctions evaluations report, and meet the commitment it made in 2013 to evaluate the impact of conditionality and sanctions on claimants’ mental health and wellbeing.
- The DWP should offer future in-work claimants enhanced coaching and training on a voluntary basis. It should end in-work conditionality requirements and the threat of sanctions for existing in-work claimants.
- The DWP should cap the number of claimants each Work Coach can be responsible for. Local jobcentres should decide how best to ensure that the cap reflects the composition of Work Coaches’ caseloads, as some claimants require more intensive support than others.
- The DWP should build stronger links with employers, local authorities and local education providers to harness their skills, expertise and

resources to train and match claimants who can work with available jobs.

- The Government should funding to allow claimants to access informed, independent and free advice and support on an ongoing basis, work alongside local authorities to identify best practice for providing ongoing and accessible advice, and publish the results.

The Government's response to the Committee's report was published on 13 October 2020.[23] The Government did not accept any of the Committee's recommendations for structural changes to UC. It commented:

> The Government is surprised by several of the Committee's observations with regard to Universal Credit (UC). In particular, in contrast to the title of the report, the effectiveness of UC as a comprehensive benefits system has been admirably demonstrated in response to the pandemic. The Government takes the support and financial security of vulnerable people extremely seriously, as evidenced by our package of temporary and permanent welfare measures, estimated by the Office for Budget Responsibility to be around £9.3 billion of additional support through the welfare system in 2020/21.[24]

Subsequently, the Government did however increase the work allowances (for households eligible for a work allowance), and reduce the UC taper rate to 55%, in November 2021 (see section 2.2 above).

The Government also published its draft report on the evaluation of the effectiveness of benefit sanctions[25], on 6 April 2023, although this was following an instruction to do so by the Information Commissioner's Office.

2.4 Completing the rollout of UC

The current version of UC has been available in all parts of Great Britain since December 2018, for:

- people making new claims
- people on the legacy benefits and tax credits whose circumstances change. These people need to claim UC to continue to receive the full support they are entitled to (this is known as "**natural migration**")

Initially, the remaining legacy benefit claimants did not need to claim UC, but could make a voluntary claim.[26] Those who chose not to claim UC were to be

23 DWP, Memorandum to the Economic Affairs Committee: Government response to the Committee's report on the economics of Universal Credit, 16 October 2020

24 As above, p1

25 DWP, The Impact of Benefit Sanctions on Employment Outcomes: draft report, 6 April 2023

26 For things people thinking about claiming UC voluntarily may wish to consider, see the Commons Library constituency casework page Universal Credit: a checklist before claiming

contacted at a later stage and notified that they would have to make a claim for UC to continue to receive support. This final stage of the introduction of UC is known as "**managed migration**". Once complete, legacy benefits and tax credits for people of working age will cease to exist, and the caseload rollout of UC will be complete.

At February 2023, 5.0 million households in Great Britain were on UC, of whom 4.5 million were households receiving payments.[27] At January 2023, there remained 2.5 million households claiming legacy benefits and tax credits. The DWP estimates that when the caseload rollout is complete, around 6.5 million households in Great Britain will benefit from UC.[28] At January 2023, 2.5 million households claiming legacy benefits and tax credits had yet to move to UC.[29]

"Move to UC" strategy

The DWP originally envisaged that full caseload rollout of UC would be achieved by 2017, but the timetable has been pushed back several times. The A managed migration pilot began in July 2019 which was to have involved up to 10,000 claimants, but it was suspended due to the pandemic and never resumed. Instead, in April 2022 the DWP announced its new strategy for "completing the move to Universal Credit".[30]

As part of its "Move to UC" strategy, starting from May 2022 the DWP sent "migration notices" (notifying households that they had to claim UC) to 500 legacy benefit claimants in Bolton and Medway, as part of a "Discovery phase" to test approaches to managed migration. The Discovery phase was expanded to further areas in England throughout 2022 and early 2023. The DWP published findings from the initial stage of the Discovery phase in January 2023.[31]

Full-scale managed migration ("Move to UC") started in April 2023 in certain parts of England and is gradually being expanded to further areas. Under the latest plans[32] announced by the DWP:

- In 2023/24, migration notices will be sent to households getting tax credits only (and no other legacy benefits).
- In 2024/25, the DWP will be contacting the remaining tax credit claimants (those also receiving other legacy benefits), and all Income

27 Source: DWP Stat-Xplore
28 DWP, Main Estimate 2023-24: Select Committee Memorandum (PDF), May 2023, section 3.3
29 DWP, Updated Universal Credit Programme: SRO appointment letter 2023, 20 June 2023
30 DWP, Completing the move to Universal Credit, updated 6 June 2022; DWP, Completing the move to Universal Credit: Learning from the Discovery Phase, 10 January 2023; HCWS 678, 28 March 2023
31 DWP, Completing the move to Universal Credit: Learning from the Discovery Phase, 10 January 2023
32 DWP, Completing the move to Universal Credit, updated 6 June 2022; DWP, Completing the move to Universal Credit: Learning from the Discovery Phase, 10 January 2023; HCWS 678, 28 March 2023

Support, income-based Jobseeker's Allowance, and Housing Benefit claimants.

In its original strategy published in April 2022, the DWP had planned to complete the Move to UC by the end of 2024/25. In the 2022 Autumn Statement however, the Government announced that the managed migration of people getting income-related ESA only, or incomed-related ESA and Housing Benefit, would be delayed until 2028/29. The justification was to make savings of around £1 billion over the next five years in light of "significant economic challenges" facing the UK.[33]

The DWP began to send migration notices to tax credit only households in Avon, Somerset and Gloucestershire from April 2023. This was subsequently expanded to further areas:

- East London and Cheshire from May 2023
- Greater Manchester, North East Yorkshire and the Humber from June 2023
- County Durham and Tees Valley, Kent, North London, and East Anglia from July 2023
- West Scotland, West Yorkshire, Staffordshire and Derbyshire, and South London from August 2023

Managed migration process

The process by which a legacy benefit claimant is moved to UC via the managed migration track is as follows:

- The DWP sends the claimant a "migration notice", stating when their legacy benefit or tax credit award will end and inviting them to make a UC claim.
- The claimant must make a UC claim by a certain date – their "deadline day". This must be at least three months from the date of the migration notice. The claimant may be given more time to claim if the DWP accepts they have good reason – for example, they are unwell or require help making a claim.
- If the person has not claimed UC by the deadline, but does so within a month, they will still be treated as having claimed on time in order to get transitional protection in the UC award.
- The person's entitlement to legacy benefits ends when they claim UC; or if they don't claim, it ends the day before their deadline day. DWP legacy

33 PQ 125368 [on Universal Credit], 20 January 2023

benefits can still be paid for the first two weeks of a UC claim (a two-week "run-on").

For further information see:

- DWP, Guidance: Tax credits and some benefits are ending: move to Universal Credit, 9 May 2022
- DWP, Advice for Decision Making Chapter M7: Managed migration pilot and Transitional Protection – detailed guidance for DWP staff on the migration process
- Revenuebenefits, Universal Credit: managed migration, 18 May 2023

Transitional protection

The DWP estimated that of the 2.6 million households remaining on legacy benefits in April 2022, 1.4 million (55%) would have a higher entitlement on UC, and 900,000 (35%) a lower entitlement. 300,000 households (10%) would see no change.[34]

Regulations provide that that households who move onto UC via managed migration who have a lower notional entitlement to UC, and whose circumstances don't change during the migration process, will be eligible for "transitional protection" – a top-up so they don't lose out in cash terms at the point they move to UC.[35]

The DWP estimated that of the 900,000 legacy benefit claimant at April 2022 with a lower entitlement to UC, approximately 600,000 would receive transitional protection (with the remainder either leaving benefits, or naturally migrating to UC following a change of circumstances before the date they would have been sent a migration notice).[36]

Where an additional "transitional element" is awarded, this will reduce or "erode" over time if other elements of the household's award (except the childcare element) increase (including following annual benefits upratings), or they become entitled to a new element. Transitional protection may also end completely following a change of circumstances.

Other forms of transitional protection apply to full-time students and to tax credit claimants with capital moving to UC at managed migration:

- People "receiving education" are (with certain exceptions) excluded from UC. Where a person on legacy benefits is a student and moves onto UC at managed migration, the condition that they must not be receiving

34 DWP, Completing the move to Universal Credit, updated 6 June 2022
35 The Universal Credit (Transitional Provisions) Regulations 2014, SI 2014/1230 as amended
36 DWP, Completing the move to Universal Credit, updated 6 June 2022

education does not apply to them while they continue undertaking their course.

- Tax credit claimants who have more than £16,000 (which would normally mean they were not entitled to UC) are protected from the capital limit in UC for up to 12 monthly assessment from the date of their UC claim (although capital between £6,000 and £16,000 will still generate "assumed monthly income" and will be taken into account in the calculation of their UC award.

For more information see Revenuebenefits, Universal Credit: managed migration Transitional Protection, 18 May 2023

Case studies giving examples of how transitional protection works are given in the annex to the DWP policy paper Completing the move to Universal Credit, updated 6 June 2022.

Issues and concerns

In a letter to the Chair of the Work and Pensions Committee on 28 March 2023, the Minister for Employment, Guy Opperman, said the DWP had put in place "robust governance arrangements" to assess its readiness to scale the migration of tax credit claimants to ensure it was "safe and secure to proceed", adding:

> We are satisfied that the right processes, resources, communications, service stability, security and other key factors are in place to begin increasing the volume of moves.[37]

Welfare rights organisations have however voiced concerns about the potential impact of managed migration on legacy benefit claimants.

A November 2018 report from the Social Security Advisory Committee (SSAC) on draft regulations emphasised the scale of the challenge posed by managed migration:

> The challenge facing the Department is exceptionally difficult. It is a huge logistical task to contact several million people in several million households, who may be receiving anything up to four different benefits administered by three different organisations, collect any additional information needed to decide Universal Credit entitlement, and seamlessly terminate legacy benefit awards as Universal Credit awards start, without leaving any gaps or overlaps in entitlement. The Department estimates that 36 per cent of this group will be people with disabilities migrating from Employment and Support Allowance.[38]

The Government published revised regulations in light of the SSAC report that incorporated key changes, including an extension of the notice period for

37 Letter from Guy Opperman to Sir Stephen Timms on Move to Universal Credit (PDF), 28 March 2023

38 SSAC, Draft Universal Credit (Managed Migration) Regulations 2018: SSAC report and government statement, 5 November 2018, p24

legacy benefit claimants to make a claim for UC from one to three months, and a further one month "grace period" for those missing the deadline.

However, the DWP ultimately did not accept a SSAC recommendation to use existing data it held on claimants to "pre-populate" UC claims. In its report, the Committee had expressed its "strong view" that the risk associated with managed migration should rest with the State rather than with the individual – a view shared by many respondents to its consultation on the draft regulations. Welfare rights organisations and pressure groups had expressed concern that vulnerable people – including disabled people – who fail to engage with the managed migration process could lose their financial support completely.

In its response, the Government said that while it would "continue to explore options for elements of pre-population", it would not be transferring claimants to UC automatically and that it was "crucial that new claims are made". The reasons given were:

- To ensure data was as accurate and as up-to-date as possible when claimants move to UC, and to avoid transferring errors from existing legacy benefits systems to UC.
- Because it replaces six existing benefits, the DWP may not have sufficient information to determine a household's full UC entitlement because some of the information may not be available from existing benefit data.
- UC is a different regime, so the DWP "cannot simply assume that all existing claimants will want to make a claim, some form of consent from each claimant would be required". It was also important that claimants "understand the new Universal Credit regime into which they are moving and the corresponding responsibilities this will bring".
- With pre-populated claimant data, there was a "high risk that the data might be incorrect", which could result in confusion and delays to payments. If claim data was simply transferred, it would have to be verified before calculating and paying UC. If verification processes highlighted errors in the data, this would trigger the need for changes to be reported, slowing down the claim process and requiring further verification.[39]

Following an undertaking given by the then Secretary of State for Work and Pensions, Amber Rudd, in July 2019 the DWP laid before Parliament regulations for a managed migration pilot, which limited the number of claimants who could be migrated to UC in the pilot phase to 10,000.[40] In light of lessons learned from the pilot, the DWP would then have to seek

39 As above, p11

40 The Universal Credit (Managed Migration Pilot and Miscellaneous Amendments) Regulations 2019; SI 2019/1152

parliamentary approval for the main phase of managed migration, which was expected to get underway in late 2020.

The managed migration "Move to UC" pilot began in Harrogate in July 2019, but following the Covid-19 pandemic it was suspended in March 2020. By the time the pilot was suspended, there had been "proactive engagement" with only 80 legacy benefit claimants, of whom 38 had moved onto UC.[41]

On 8 November 2021, the then Work and Pensions Secretary, Thérèse Coffey, said that, in light of the lessons learned from Harrogate, and from her Department's wider experience since the beginning of the pandemic, she did not envisage a need for the managed migration pilot to be resumed.[42] The decision not to restart the pilot was later confirmed.

Welfare rights organisations and pressure groups continue to voice many of the concerns highlighted in responses to the Social Security Advisory Committee's 2018 consultation. In May 2022, following the launch of the "Discovery Phase" in Bolton and Medway, a coalition of 22 charities from across the UK – including Mind, Disability Rights UK, the Child Poverty Actin Group, and Shelter – sent an open letter the Secretary of State for Work and Pensions saying they were "gravely concerned" about the DWP's plans for managed migration which they believed risked pushing many legacy benefit claimants into destitution. The letter stated:

> No-one subject to managed migration should have their existing benefit stopped until they have established a claim to Universal Credit. Instead of setting arbitrary deadlines, the DWP needs to take responsibility for ensuring people's safety. You must provide proactive support that enables people who face challenges, including many disabled people and people with mental health problems, to establish their claim to Universal Credit.
>
> We urge you to refocus on supporting people by creating and communicating a clear safeguarding process. We ask you to pause your approach until you have addressed these risks, and commit to completing a thorough trial of the process and putting the outcomes to parliament for scrutiny.[43]

On 4 July 2022, a Child Poverty Action Group (CPAG) blog by Owen Stevens said the Government's decision to press ahead with managed migration was "an irresponsible gamble" and should be redesigned to prioritise the needs of claimants.[44] While "managed migration" implied seamlessly moving people onto UC, in reality claimants would be given a deadline to make a claim and if they failed to do so their benefits would be stopped. This "compulsory self-managed migration" would leave people who couldn't claim (for example,

41 HCWS780 25 April 2022

42 As above

43 Open letter from 22 charities to the Secretary of State for Work and Pensions on managed migration to Universal Credit, May 2022. See also Disability Rights UK, Government must halt 'managed migration' to universal credit, charities UK wide demand, 5 May 2022

44 Owen Stevens, Managed migration to Universal Credit – An irresponsible gamble, CPAG blog, 4 July 2022. See also An irresponsible gamble: managed migration to universal credit, Poverty, issue 173

because of disability) losing their legacy benefit with nothing to replace it. The blog also noted that nearly half those remaining on benefits were receiving Employment and Support Allowance (ESA).

The CPAG blog argued that while assurances had been given by the Secretary of State that vulnerable claimants would not have their benefits stopped during the initial phase of managed migration, such protections should be set out in legislation. CPAG also said there were “significant problems” with transitional protection for people whose UC entitlement is less than their legacy benefits, including the fact that protection would be lost if someone left an abusive partner or if their partner died. Finally, CPAG was also concerned about the lack of detailed information on outcomes from the Harrogate pilot, and about the absence of a detailed evaluation strategy for the new Discovery phase.

CPAG said the Government’s chosen approach risked “serious consequences for vulnerable benefit claimants”. It said given that these claimants’ circumstances had not changed, instead of ending legacy benefits the DWP could use information it already held about someone’s legacy benefit entitlement to automatically sign them up for UC (perhaps subject to subsequent verification), so avoiding the need for the individual to make a claim. The blog argued this would “clearly be “fairer and safer”.

Initial findings from the “Discovery phase”

On 10 January 2023 the DWP published initial results from the Discovery phase (the Earliest Testable Service (ETS)), where 499 migration notices were issued to claimants in Bolton and Medway in May 2022.[45] The Department described the findings, overall, as “positive” and providing confidence that it could safely transition claimants to UC:

> We have learnt a great deal from the Discovery phase and have developed our approach based on this learning. The circumstances for every household are different, but Discovery has shown us that on the whole households are able to make the move to UC. In line with our assumptions claimants on tax credits appear to be more digitally capable and able to make the move with less support. We have focused the later phases of Discovery on tax credit only cases to test different approaches around engagement to maximise the number of people making a claim. There is more we still need to test, including how we engage with a greater number of claimants at the same time, increasing the understanding around Transitional Protection and finding the optimal time to engage with different claimants. Overall, the evidence from Discovery is positive and provides us with confidence that we can safely transition claimants to UC.[46]

However, a report published by the Child Poverty Action Group in May 2023 – based on feedback from advisers and frontline workers through CPAG’s “Early Warning System” (EWS), states that beneath the broad trends, “a more

45 DWP, Completing the move to Universal Credit: Learning from the Discovery Phase, 10 January 2023

46 As above, p1

complex picture emerges of experiences so far for people going through managed migration.[47] Issues covered in the report include:

- Managed migration of older claimants approaching State Pension age causing them unnecessary stress and posing a significant administrative burden on the DWP and support services
- Unclear entitlement to transitional protection
- Process delays resulting in incorrect benefit payments and conditionality
- Claimants falling into rent arrears due to managed migration
- Appropriate and inappropriate use of benefit appointees
- Missing child elements

The report makes a series of recommendations about how these might be remedied, alongside examples of good practice.

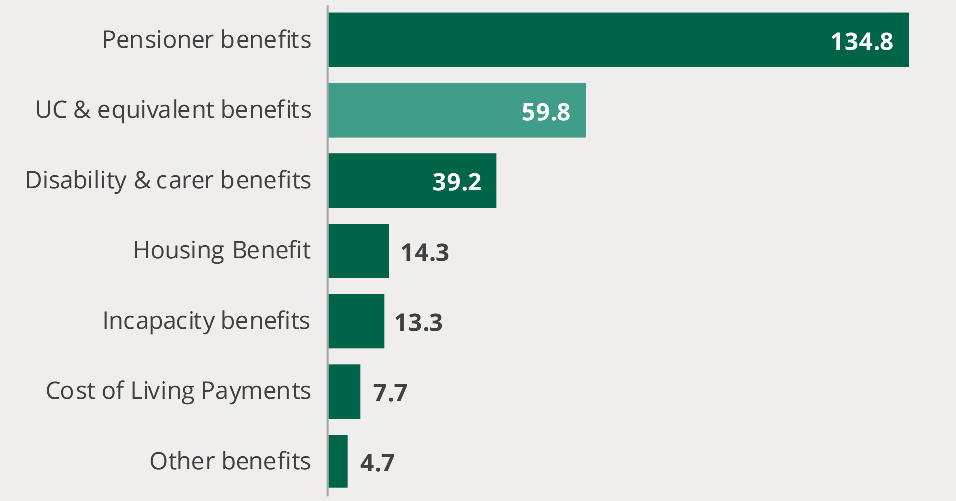
47 CPAG, Beneath the trends: A detailed look at the issues facing claimants going through managed migration, May 2023

3 Spending on Universal Credit

The DWP's total proposed expenditure for 2023/24 is £279.3 billion, of which Resource AME (ie payment of pensions and benefits) accounts for £265.5 billion (95%).[48]

Universal Credit and equivalent benefits are the second largest area of DWP expenditure after pensioner benefits (such as the State Pension, Pension Credit and Winter Fuel Payments).

DWP Resource AME for 2023/24, £bn



Note: expenditure on non-contributory ESA is included in both UC & equivalent benefits and incapacity benefits.

Source: DWP, Main Estimate 2023-24 Select Committee Memorandum, May 2023, Table 5, p15

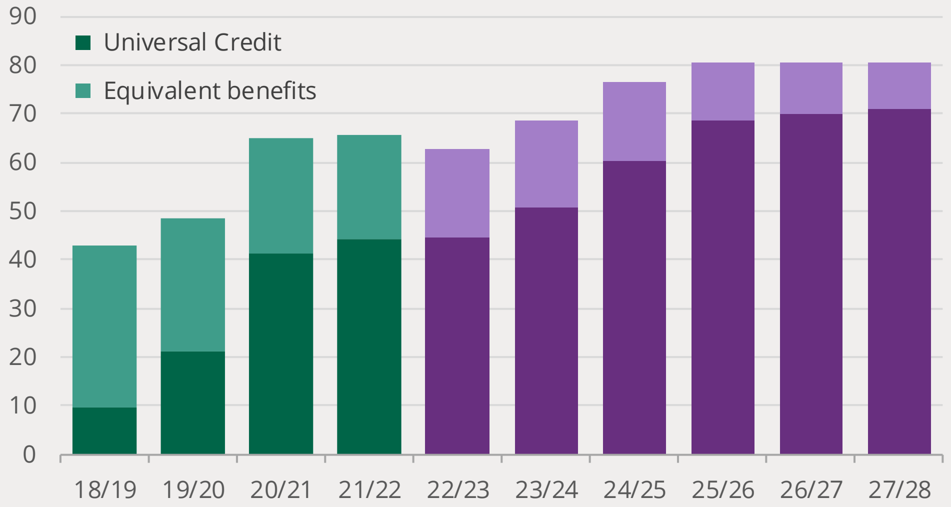
The chart below shows DWP spending on UC and equivalent benefits since 2018/19. Figures from 2022/23 onwards are forecasts.

Expenditure on equivalent benefits is expected to decrease over this period as they are gradually replaced by Universal Credit. Additional expenditure is being transferred over from HMRC to DWP as Child Tax Credit and Working Tax Credit are also replaced by UC.

48 HM Treasury, Main Supply Estimates 2023 to 24, 18 May 2023, p355

DWP spending on Universal Credit and equivalent benefits

£bn, real terms (2023/24 prices); outturn figures in **green**, forecasts in **purple**



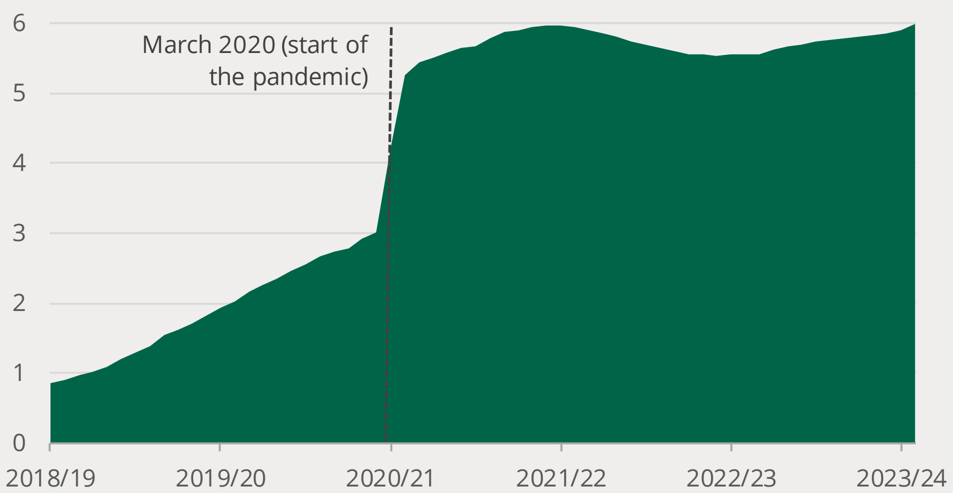
Note: Equivalent benefits includes income-related JSA, income-based ESA, Income Support and Housing Benefit for working age claimants. It does not include Child Tax Credit and Working Tax Credit, which are administered by HMRC. As Tax Credits are replaced by UC, additional expenditure is being transferred over from HMRC to DWP.

Source: DWP, Benefit expenditure and caseload tables: Spring Budget 2023, 25 April 2023, Table 1b

The main driver of increased spending on UC since 2018/19 has been caseload rollout. The sharp increase in spending in 2020/21 was also driven by a spike in new claims at the start of the coronavirus pandemic when lockdown restrictions were introduced.

Number of people on Universal Credit

Millions, Great Britain: April 2018 to May 2023



Source: DWP Stat-Xplore

As shown on the chart above, the total number of people on UC in Great Britain surged from 3 million in March 2020 to 5.2 million in May 2020, before gradually increasing to 6 million in March 2021. After a slight dip to 5.5 million in March 2022, the number of claimants has risen again to 6 million as of May 2023.

3.1 Increasing spending due to ill-health and disability

Caseload increases are also being driven by increasing numbers of UC claimants with limited capability for work entitlement, meaning they receive an additional amount due to ill-health or disability.[49]

There were 1.13 million households where one or more claimants were assessed to have limited capability for work or work-related activity in February 2023, up from 892,000 in the same month a year earlier – a 26% increase.[50] Some of this increase will be existing claimants who have naturally migrated onto UC from ESA.

Other health-related benefits have also seen a rise in claimant numbers, particularly Personal Independence Payment, and this trend is expected to continue. This has led the Office for Budget Responsibility to revise upwards its forecasts of health and disability-related welfare spending, which it now expects to cost £8.3 billion more in 2026-27 than it forecast it would in March 2022, totalling £79.2 billion.[51]

This increasing benefit caseload reflects worsening health across the population: economic inactivity due to long-term sickness has been increasing since the start of 2019, while disability prevalence has been rising as part of a longer-term trend.[52] For more on this, see our Insight on How is health affecting economic inactivity?

49 DWP, Main Estimate 2023-24 Select Committee Memorandum, May 2023, p16
50 DWP Stat-Xplore
51 Office for Budget Responsibility, Economic and Fiscal Outlook – March 2023, p103-104
52 Commons Library, How is health affecting economic inactivity?, 14 March 2023

4 Parliamentary material

4.1 Commons Library publications

Constituency data: Universal Credit rollout, 14 June 2023

4.2 Department for Work and Pensions publications

Department for Work and Pensions, Updated Universal Credit Programme: SRO appointment letter 2023, 19 June 2023

Department for Work and Pensions, Completing the move to Universal Credit: Learning from the Discovery Phase, 10 January 2023

Department for Work and Pensions, Completing the move to Universal Credit, 6 June 2022

4.3 Select Committee publications

House of Commons Work and Pensions Committee Third Report of Session 2019–21, Universal Credit: the wait for first payment

House of Commons Work and Pensions Committee, Universal Credit: the wait for a first payment: Government Response to the Committee's Third Report

House of Commons Work and Pensions Committee, Fourth Report of Session 2022–23, Universal Credit and childcare costs

House of Commons Work and Pensions Committee, Universal Credit and childcare costs: Government Response to the Committee's Fourth Report of Session 2022–23

House of Commons Work and Pensions Committee, Universal Credit and Managed Migration non-inquiry session

House of Lords Economic Affairs Committee, Second Report of Session 2019-21, Universal Credit isn't working: proposals for reform

4.4 Parliamentary questions

Universal Credit: Social Rented Housing
20 June 2023 | Written questions | Answered | House of Commons | 189144

Asked by: Sir Stephen Timms
To ask the Secretary of State for Work and Pensions, whether he has had recent discussions with social landlords who are in the discovery areas of the managed migration to Universal Credit on taking steps to ensure that the landlord portal supports tenants adequately; and if he will make a statement.

Answered by: Guy Opperman | Department for Work and Pensions

The DWP has regular engagement with a number of representatives across the Social Rented Sector (SRS) landlord community, which includes a move to Universal Credit (UC) monthly update. The Universal Credit Landlord Portal allows social rented sector landlords to verify rent and submit managed payment requests online, rather than by email.

The Portal is offered to SRS landlords with Trusted Partner status. Trusted Partners are registered social landlords (including stock owning local authorities) that have made an agreement with DWP. They have agreed to support their tenants, where possible with financial and personal budgeting. In exchange they are allowed to request an Alternative Payment Arrangement (APA, previously known as MPTL) for their tenants whenever they identify a need and DWP will implement them without challenge.

Universal Credit
17 May 2023 | Written questions | Answered | House of Commons | 184769

Asked by: Stephen Farry
To ask the Secretary of State for Work and Pensions, if he will make an assessment of the implications for his policies on the managed migration of legacy benefit claims to Universal Credit of the recommendations of Advice NI's publication entitled the move to Universal Credit: get ready, published on 25 April 2023.

Answered by: Guy Opperman | Department for Work and Pensions

The Administration of Universal Credit in Northern Ireland is devolved to the Department for Communities. DWP regularly engages with a broad range of external stakeholders and is committed to ensuring the manged migration of legacy benefit claimants to Universal Credit in Great Britain provides a smooth and safe transition.

[Employment Support Allowance: Universal Credit]
24 Feb 2023 | Written questions | Answered | House of Commons | 143685

Asked by: Ms Karen Buck
To ask the Secretary of State for Work and Pensions, what estimate he has made of how many of working disabled people in receipt of Employment Support Allowance will be worse off as a result of managed migration to Universal Credit.

Answered by: Guy Opperman | Department for Work and Pensions

As set out in [Completing the move to Universal Credit - GOV.UK (www.gov.uk)(opens in a new tab)], Policy paper, we committed to providing transitional financial protection for those who are moved onto Universal Credit through the managed migration process.

This means those eligible households with a lower calculated award in UC than their legacy benefits awards will see no difference in their entitlement at the point they are moved to UC, provided there is no change in their circumstances during the migration process.

We are also providing additional protection for those who had a change in circumstance and have been receiving Severe Disability Premium.

[Universal Credit]
03 Feb 2023 | Written questions | Answered | House of Commons | 133670

Asked by: David Linden
To ask the Secretary of State for Work and Pensions, if he will publish a list of the triggers used by officials in his Department which would encourage claimants to migrate to Universal Credit.

Answered by: Guy Opperman | Department for Work and Pensions

On 10 January, the department published Completing the move to Universal Credit: Learning from the Discovery Phase - GOV.UK (www.gov.uk) which details our approach in contacting claimants during the Earliest Testable Service (ETS). We will continue to test and learn what claimants need to enable them to move to UC, as we go forward.

[Universal Credit]
20 Jan 2023 | Written questions | Answered | House of Commons | 125364

Asked by: Jonathan Ashworth
To ask the Secretary of State for Work and Pensions, what steps his Department will take to minimise the proportion of claimants subject to managed migration whose legacy benefits are terminated without moving to Universal Credit.

Answered by: Guy Opperman | Department for Work and Pensions

Following the issue of Migration notices, the Department will issue reminders to claimants during the three-month period if they have not yet made a claim to UC.

If a claimant does not claim by their extended deadline, they will be notified that their current benefit(s) will be terminated, unless they have significant support needs requiring a further extension. For those claimants who require significant support, we hold case conferences with Advanced Customer Support Senior Leaders who provide local expertise, working with different organisations to take a multi-agency approach. Where a claimant's legacy benefit(s) has been terminated and they make a claim to UC within one month, their claim can be backdated to their deadline date and still receive Transitional Protection where entitled.

Universal Credit
19 Jan 2023 | Written questions | Answered | House of Commons | 120835

Asked by: Ms Karen Buck
To ask the Secretary of State for Work and Pensions, with reference to the paper entitled Completing the move to Universal Credit: Learning from the Discovery Phase, published by his Department on 10 January 2023, whether his Department has taken steps to support legacy benefit claimants who did not make a claim for Universal Credit within three months of their migration notice and had their existing entitlement terminated without a replacement income being in place.

Answered by: Guy Opperman | Department for Work and Pensions

The Department has provided significant support to claimants as part of the Discovery Phase of the Universal Credit Programme.

For the Discovery cohorts, claimants were granted an automatic one-month extension to their deadline date. If a claimant did not claim by their extended deadline, they were notified that their current benefit(s) would be terminated unless they had significant support needs requiring a further extension.

To encourage and support claimants to claim Universal Credit, the Department sent text messages and phone calls during the one-month extension period. Where appropriate, the Department provided enhanced support, including home visits, to engage claimants face-to-face.

For those claimants who require significant support, the Department holds case conferences with local Advanced Customer Support Senior Leaders who provide local expertise, working with different organisations to take a multi-agency approach to supporting our most vulnerable claimants.

For claimants who have their benefits terminated, if they then make a claim to UC within one month of their benefit(s) being terminated, their claim is then backdated to their deadline date and they will still receive Transitional Protection where entitled.

5 Press material

Universal credit switchover is a bad move, say charities
BBC
9 May 2022

Disabled people left short in universal credit move may get compensation
Guardian
3 February 2022

6 Further information

Trussell Trust and Joseph Rowntree Foundation, Guarantee our Essentials: reforming Universal Credit to ensure we can all afford the essentials in hard times

Money and Mental Health, A fit-for-purpose managed migration process: safeguarding claimants with mental health problems in the move to Universal Credit

Trades Union Congress, A replacement for Universal Credit

Institute for Public Policy Research, No-one left behind: Supporting people with complex needs on universal credit

University of Oxford report, Inflexibility in an integrated system? Policy challenges posed by the design of Universal Credit

Child Poverty Action Group, Managed migration 1

Child Poverty Action Group, Making adjustments? The experiences of universal credit claimants with mental health problems

Child Poverty Action Group, An irresponsible gamble: managed migration to universal credit

Child Poverty Action Group, You reap what you code

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