



## **Citizens Advice Scotland Response to Social Security Advisory Committee Universal Credit Migration Consultation**

**August 2018**

*Citizens Advice Scotland (CAS), our 60 member Citizen Advice Bureaux (CAB), the Citizen Advice consumer helpline, and the Extra Help Unit, form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone.*

*In 2017-18 the Citizens Advice Service network helped over 295,100 clients and dealt with almost 800,000 advice issues for clients living in Scotland. With support from the network clients had financial gains of almost £142.2 million and our self-help website Advice in Scotland received approximately 3.2 million page views.*

### **Recommendations**

- **Managed migration should be delayed until the current issues with Universal Credit (UC) are fixed.**
- **Current natural migration should cease until Transitional Protection (TP) can be awarded.**
- **Legacy benefits should not be stopped if claim has third party deductions, DWP should treat all such claimants as vulnerable.**
- **DWP should consider automatic migration, i.e. remove the need for everyone to claim but they should transfer claims over and then hold initial interview where applicable.**
- **DWP must plan for a significant number of claimants who will not have digital access or necessary skills to make and maintain an online claim.**
- **Some legacy benefit claimants will be housebound and have no digital access. DWP should show how they will handle an increasing number of home visits.**
- **The right to transitional protection should not be withdrawn if first attempt at UC claim is deemed unsuccessful.**
- **Couples who separate should not have their transitional protection withdrawn.**
- **The three month rule on earnings and ending of transitional protection should be extended. This rule particularly impacts certain groups of seasonal workers.**
- **Clarity should be provided on how the order of managed migration is organised. This should be done either progressively by Jobcentre Plus area, or on a benefit-by-benefit basis.**
- **Notifications to Scottish claimants should advise them about the UC Scottish Choices that they can request.**

## **1.0 The overall migration timetable**

1.1 Citizens Advice Scotland (CAS) have already stated that we believe that further roll out and managed migration of UC should be paused until the many issues affecting our clients have been resolved.<sup>1</sup> We note that the intention is to start migration on a small scale from January 2019 before ramping up volumes once process has been tested. While CAS welcomes the changes that have been made to UC during roll out it is clear that there are still issues to be resolved. To proceed with managed migration before resolving all the issues will negatively impact a significant number of people.

1.2 The draft regulations also provide no indication of how the migration will be organised or the pace. From consultation with CAB advisers, Citizens Advice Scotland would recommend the rollout is either organised progressively by Jobcentre Plus area (as with the rollout of full service UC) or by migrating existing claimants of each legacy benefit in turn (e.g. all JSA claims first, then all Income Support claims etc.) We would not recommend all legacy claimants are migrated at the same time due to the systems being unable to handle a transfer of that capacity, nor that the managed migration is done in a more random process (e.g. alphabetically or by random selection). This would make it much harder for CAB and other services to provide advice to claimants, and risks a repetition of problems associated with the migration of claims to Personal Independence Payment<sup>2</sup>.

1.3 CAS anticipates that the planned migration will have a considerable impact on our bureaux in terms of volumes of clients seeking help. However, the lack of information in the consultation documents on the timetable or roll out process prevents us currently from adequately assessing all the potential impacts of managed migration.

## **2.0 Arrangements for contacting claimants and inviting claims from them**

2.1 CAS has concerns that by requiring all recipients of legacy benefits to effectively make a new claim for Universal Credit, there is a high risk of people dropping out of the benefits system as a result. This is particularly the case for vulnerable people or those with complex needs, a significant number of whom will have been in receipt of legacy benefits for a number of years.<sup>3</sup> We recommend that as much as possible the migration process is automated, rather than requiring a new claim to be made. For instance, DWP currently holds sufficient information about claimants to be able to award them the legacy benefits. This information should be used to set up a Universal Credit claim automatically, with any further details or update provided at the claimant's next (or initial) appointment with their Work Coach.

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<sup>1</sup> Calling for a halt to Universal Credit – Citizens Advice Scotland, September 2017  
<https://www.cas.org.uk/publications/calling-halt-universal-credit>

<sup>2</sup> Voices from the Frontline: Personal Independence Payment – Citizens Advice Scotland, October 2014  
<https://www.cas.org.uk/publications/voices-frontline-personal-independence-payment>

<sup>3</sup> For example, the majority of recipients of Employment and Support Allowance (ESA) have received the benefit for more than two years.  
[https://www.cas.org.uk/system/files/publications/welfare\\_reform\\_and\\_work\\_bill\\_consideration\\_of\\_amendments\\_-\\_briefing\\_from\\_citizens\\_advice\\_scotland.pdf](https://www.cas.org.uk/system/files/publications/welfare_reform_and_work_bill_consideration_of_amendments_-_briefing_from_citizens_advice_scotland.pdf)

2.2 If claimants of existing legacy benefits are not to be migrated automatically, the preparation period of four to six months seems reasonable but much will depend on the efficacy of the generic warm up communication letters. Many of the addresses may be out of date, some claimants will not understand the letters due to illiteracy or language difficulties, some people with mental health issues may not be able to cope and will simply ignore any letters. The third reminder will be sent one week before the day UC needs to be claimed. This does not seem long enough and may cause capacity issues for Jobcentres. If the first letter is six months in advance then the second two weeks later it is a gap of over 5 months to the next with only one week to go, although a one month minimum time to claim is permitted.

2.3 CAS feels there will need to be other methods brought into play to reach people and understand that DWP will be arranging events to discuss this with relevant stakeholders. It will need a concerted effort from all involved and multi-media communications/advertising to reach as many vulnerable people as possible before their legacy benefits cease.

2.4 It is proposed that if claimants have complex needs or are vulnerable they could be allowed a maximum of 3 months to make their UC claim. However we do not have any criteria for this nor can we see how DWP will be able to identify such claimants from the legacy system information held.

2.5 Experience suggests that many claimants will not respond until their legacy benefit is stopped. This would cause many more crisis situations to be dealt with through the social fund or advance payments soaking up capacity in DWP, local authorities and the third sector.

2.6 Given the potential number of issues that could go wrong at this stage it seems unfair that if the claimant is deemed not to have met the managed migration conditions they will lose all rights to any transitional protection.

### **3.0 Issues associated with making a claim and ending legacy benefit claims**

3.1 One of the issues often reported by our bureaux concerns lack of digital access and skills to apply online and maintain the UC claim afterwards. CAS research has consistently revealed that the majority of benefit claimants would struggle to make and manage an online claim without support, with around one in five who would not be able to make an online claim, even with support.<sup>4 5 6</sup> Many of our clients have no internet access at home and there is limited availability in public areas such as libraries. Jobcentres will often send clients to local citizens advice bureaux for help to make a claim as they do not have the resources to assist the client themselves.

3.2 Clients may have a mobile phone but not necessarily a smartphone nor a contract that allows internet access. Clients may be able to use a mobile for basic

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<sup>4</sup> Offline and Left Behind: Digital exclusion amongst Scotland's CAB clients – Citizens Advice Scotland, May 2013 <https://www.cas.org.uk/publications/offline-and-left-behind>

<sup>5</sup> Bridging the Digital Divide – Citizens Advice Scotland, May 2016  
<https://www.cas.org.uk/publications/bridging-digital-divide>

<sup>6</sup> Disconnected: Understanding Digital Inclusion and Improving Access – Citizens Advice Scotland, February 2018 <https://www.cas.org.uk/publications/launch-disconnected-understanding-digital-inclusion-and-improving-access>

making calls/texting and some social media but that does not mean they have the skills to complete forms online or maintain a journal.

3.3 It is intended that before legacy benefits are stopped agents will check for evidence of complex needs or vulnerability. They can extend deadlines or arrange a home visit. However, CAS has serious concerns that DWP are not able to identify vulnerable claimants from the information they hold at present and even where they can they do not have the resources to support them.

3.4 CAS recommends that agents should be allowed to use information held by other government departments and bodies, in addition to the DWP's own records. Agents should also be required to make enquiries with the NHS, social services and advice giving organisations as appropriate to ensure all vulnerable claimants and those with complex needs are identified prior to them being migrated.

3.5 A survey of our advisors produced some suggestions for identifying claimants who will require help to make the application:

- DWP should attach a short questionnaire with initial notification, the claimant's health condition may have deteriorated since legacy benefit claim.
- Commit to proactively investigating all failed migration cases.
- DWP should suspend, but not close, legacy benefits until the investigation is completed.
- Class all ESA claimants as vulnerable.

3.6 CAS also has concerns that the number of home visits required will be higher than the DWP currently has capacity for. We recommend additional resources are committed to meet the anticipated volumes of home visits that will be required during the migration process.

3.7 If the claimant already has direct deductions being taken from legacy benefits, CAS recommends they should automatically be put onto Alternative Payment Arrangements. Additionally, if a payment of legacy benefits is already split between members of a couple due to domestic abuse or addiction issues the UC payment should be split from the start of the claim.

3.8 DWP could deem everyone already on third party deductions or getting split payments as 'vulnerable', extend the deadlines and continue paying legacy benefits until the claimant had been interviewed or visited and helped to claim UC. This would also prevent payments to landlords and utility companies etc. ceasing with consequent additional problems being created.

3.9 In Scotland full service UC claimants can take advantage of the Scottish Choices and request twice monthly payments and that their rent element is paid direct to their landlords. CAS has not seen the notification letters but recommends that Scottish claimants are informed of these options in advance.

**4.0 The calculation of transitional protection (including the treatment of earnings and capital).**

4.1 The transitional capital disregard will apply for a period of up to 12 months. If at that point the savings have dropped presumably the claimant will be subject to a deprivation of capital investigation. This must all be made clear to the claimant at the start of the claim, especially in terms of which expenditure would be considered as reasonable and not a deliberate deprivation of resources for the purposes of a benefit claim.

4.2 Our advisor survey brought out the following points on transitional protection and capital rules:

- If people are working over a set number of hours, or full time, then their capital should be ignored as for tax credits
- Deprivation of capital rules should not be applied
- This approach is detrimental to people who are working and saving
- If a separating couple sell the family home, or are trying to sell so they can split the proceeds the capital should be disregarded

4.3 The draft regulations appear to prevent people living in temporary accommodation from receiving transitional protection. This would appear to be an unfair exemption which could leave people who are homeless and in a vulnerable situation considerably worse off upon transferring to Universal Credit. CAS recommends people in temporary accommodation should be entitled to transitional protection.

4.4 Transitional protection ceases when a UC award is terminated. If this is due to earnings, and the person does not reclaim within 3 months there is no re-award in a subsequent claim. This will impact on seasonal workers and be a disincentive for some people to take up a short term contract which seems to work 'against the grain' of UC stated aims.

## **5.0 The impact of proposed transitional protection (including how easily it will be delivered and the degree to which it will be understood by claimants)**

5.1 The calculation of transitional element (TE) is complex and will be difficult for claimants to follow. The TE will erode when other elements increase, e.g. when rent increases, meaning that the claimant will have less to live on than on legacy benefits. Erosion of transitional protection may take place quickly or slowly depending on circumstances but either way from the claimant's perspective the funds they have to live on will be falling as prices are rising.

5.2 We know that currently many UC processes are not automated, as was anticipated, but are completed manually. This can cause administrative errors which may be hard to spot and resource intensive to correct. As much as possible of the transitional protection process needs to be automated.

## **6.0 The impact on workers, including the self-employed**

6.1 The DWP Secretary of State recently announced that DWP were considering issues arising from different earning cycles and the impact they have on the UC

monthly assessment<sup>7</sup>. This has been a problem for CAB clients who currently receive Universal Credit and CAS recommends managed migration should not commence until this issue is resolved.

6.2 The Minimum Income Floor 'grace period' of 6 months where gainfully self-employed claimants are managed migrated should be extended to the full 12 month start up period. Six months is too short a time for the person to get used to the change to UC from tax credits and achieve increased earnings to negate the need for benefit at all. A longer period would give more people a chance to become totally supported by their business.

## **7.0 Equality impact (whether there will be particular effects for different groups and how these can best be addressed), for example are there any groups that will not be covered by transitional protection?**

7.1 Claimants currently naturally migrating are losing disability premiums and have no access to transitional protection. This should be stopped now and transfers halted until managed migration is underway and transitional protection will apply.

7.2 Our bureaux are already reporting many ESA claimants being found fit for work and being made to claim UC. If they ask for a mandatory reconsideration they must survive until that outcome is known. If they opt to go onto UC they lose premiums and any right to transitional protection and cannot move back to ESA even when their reconsideration is successful.

## **8.0 Monitoring and evaluation**

8.1 DWP states that the regulations are flexible to allow for changes deemed necessary as the migration process is tested. CAS hopes this includes feedback from external third sector organisations. Experience so far in the roll out has been that the DWP takes a long time, sometimes years, to acknowledge that the feedback from experiences at the frontline are valid as highlighted in the recent National Audit Office report<sup>8</sup>.

8.2 Paragraph 145 in the explanatory notes states that where it is identified that changes are needed then DWP will do so before volumes are increased. However during the last few years of full service roll out many issues were raised which the Department did not, or has not yet, responded to even though a wide range of stakeholders have submitted evidence of the problems being caused. It is difficult to have confidence in changes being implemented quickly this time when DWP will be under pressure to get through the migration to a set timetable and is unlikely to have the resources required to support claimants through the process.

### **For more information on CAS work contact:**

**Rob Gowans & Olive Hill** (0131 550 1087 & 0131 550 1017)

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<sup>7</sup> Speech by Rt Hon Esther McVey MP, 19 July 2018 – Reform

<http://www.reform.uk/publication/speech-by-rt-hon-esther-mcvey-mp/>

<sup>8</sup> Rolling out Universal Credit – National Audit Office, June 2018 <https://www.nao.org.uk/wp-content/uploads/2018/06/Rolling-out-Universal-Credit.pdf>