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What you need to know about the next stages of the universal credit rollout

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Universal credit (UC) is a new benefit for people of working age. It combines and replaces six existing income-related benefits (known as 'legacy benefits'), including housing benefit (HB). [Government statistics](#) show that as at November 2018 there were 1.26 million claimants on UC of which 0.74 million (59 per cent) received help with their rent.

This briefing for CIH members provides an update on the rollout of UC and a summary of what we know so far about the next stage of this process, known as 'managed migration'.

The current situation

The full UC service is now operating in all job centre areas across the UK. This means that in every part of the country all new working age claims are now for UC. In addition, any existing claimant receiving any of the six relevant legacy benefits who has a significant change in their circumstances which causes any one of those benefits to end, can only replace their lost claim by making a fresh claim for UC.

In practice this means that the number of households receiving UC is increasing steadily over time. However there are still several million remaining claimants receiving legacy benefits and while many of these might move across naturally as a result of change in circumstances, some could go many years before this happens.

The final stage of the UC rollout is therefore for the Department for Work and Pensions (DWP) to move all remaining claimants across to the new system, this process is known as managed migration.



The plan for managed migration

Managed migration is when a claimant's legacy benefits can be ended by DWP serving the claimant with a notice. The notice invites the claimant to make a claim for UC, and if they do this before their notice period ends there is no gap between the end of their legacy benefits and the start of their UC.

Government plan to carry out a small-scale pilot of managed migration, of no more than 10,000 claimants, during 2019. In March they [announced](#) that this would take place in Harrogate and would begin in July.

The main purpose of the trial is to test different ways of engaging with claimants. This is particularly important because they will not move over to UC automatically, they will have to be prompted to make a new claim online. While many claimants may simply do this as soon as they asked to, some will need support to make a claim and others may put off doing so for as long as possible if they have concerns about UC.

Ultimately DWP will have the power to simply switch claimants' legacy benefits off if they ignore instructions to make a new claim for UC. However, they have said that they will not use this power during the initial trial of managed migration. Instead they will use the trial to establish the best ways to encourage and



support people to make a new claim, without resorting to this.

Once the trial is complete, DWP will begin large scale managed migration. This should begin in 2020 and, as with previous stages of the rollout, will be done gradually, over a period of time. This will probably mean DWP migrating all claimants in a small number of job centre areas at a time, until the process is complete.

At the moment managed migration is due to be completed by the end of 2023. However the timetable for the UC rollout has already changed several times and further delays are always possible.

Transitional protection

Transitional protection is a unique feature of the managed migration process (including the pilot), it does not apply to new claims or where a claimant moves over to the new system naturally (i.e.: because of a change in their circumstance).

It is intended to ensure that no one is immediately worse off because they have moved on to UC. In practice this means that if an existing claimant is asked to make a new claim for UC under managed migration, and if their UC award is then less than they were previously receiving in legacy benefits, they will receive a 'top up' to ensure that they are not worse off.

However, transitional protection is not intended to last forever. If the size of the claimant's award increases over time (for example because their rent goes up and so they become entitled to more help with their housing costs), the top up will decrease by the same amount. This means that over a period of time the top up is gradually eroded.

In addition, there are several ways in which a claimant can lose their transitional protection because of a change in their circumstances. These are:

- if their earnings drop below a specified level for a period of three consecutive months. This is most likely to occur because their employment has ended
- if a partner moves in or out of their household
- if their claim ends, for example because they begin earning too much to qualify (unless they make a new claim within four months).

Although DWP have said that during the pilot they will not switch anyone's legacy benefits off until they have made a claim for UC, there are also further concerns about this with regards to the wider rollout. As well as experiencing a spell without any income, these claimants could also lose any transitional protection that they might otherwise have been entitled to if they fail to comply with the strict time limits for making a claim.

Further information about UC

We have published a series of further guides for CIH members focused on the following areas of UC:

- [eligibility](#)
- [calculation of awards](#)
- [payment methods](#)

For those needing much more detailed guidance, our Help with Housing Costs guide is published annually in collaboration with Shelter. It is available for purchase from [Shelter's website](#).