**Crisis Submission to the Social Security Advisory Committee’s consultation on Universal Credit Managed Migration**

*August 2018*

1. **About Crisis** 
   1. Crisis, the national charity for homeless people, is pleased to respond to this consultation on the draft regulations for the Universal Credit managed migration process.
   2. Crisis is dedicated to ending homelessness by delivering life-changing services and campaigning for change. In our 50th year, we have launched a comprehensive plan for the governments of England, Scotland and Wales that sets out what needs to happen to end homelessness once and for all in Great Britain. We’ve drawn on evidence from home and abroad, and our eleven Skylight centres across the UK which have given us a wealth of experience supporting homeless people into stable homes and jobs.
2. **Introduction**
   1. Research and evidence, from both here and abroad, has shown us that homelessness is not inevitable[[1]](#footnote-1). A joined-up approach across government departments is essential for ending homelessness in Great Britain. The welfare system is one which cuts across the key interventions needed to end different forms of homelessness, and acts as a safeguard mechanism against poverty. Therefore, it can play a pivotal role in preventing homelessness from occurring.
   2. Financial support through the benefits system is crucial in preventing homelessness. It provides low-income households with financial protection to stabilise housing. For people that are already homeless, welfare assistance with housing and other costs is a lifeline that helps them leave homelessness behind.
   3. Crisis believes the introduction of Universal Credit creates an opportunity to ensure the benefits system works effectively to prevent and rapidly respond to homelessness. It’s underlying principles – aimed at creating a welfare system that helps people achieve financial stability and employability wherever possible – lends itself to being an important and effective tool to support the Government’s goals to eradicate rough sleeping and prevent homelessness.
   4. However, the current roll out of Universal Credit has been beset by administrative errors and delays, and there continue to be areas of Universal Credit that are in need of significant policy change and investment to ensure it can effectively prevent and respond to homelessness. Crisis is concerned that parts of the functionality of Universal Credit is at risk of undermining its own objectives, and unintentionally having a negative impact on homelessness.
   5. It is vital that key issues with regards to the functionality of Universal Credit and the support it provides are addressed prior to the commencement of managed migration. Universal Credit must not put people at risk of homelessness or prevent people from resolving homelessness.
   6. Equally, the necessary safeguards must be in place through managed migration to ensure this process is responsive and sensitive to housing need and homelessness. While the proposed draft regulations go some way to secure this, Crisis is concerned they are not robust enough to mitigate and respond to homelessness risk.
   7. This response will focus on both the key areas of change to Universal Credit design and delivery that must be invested in before managed migration commences, and the necessary safeguards that need to be in place throughout the process. A measure of success for managed migration should be that homelessness levels do not increase during the process, and ideally there is a direct correlation with a decrease in numbers.
3. **Summary of recommendations**

Changes needed prior to managed migration

* 1. In its current form, Universal Credit is failing to provide a comprehensive safety net that is responsive to housing need and homelessness. There continues to be an unintentional increase in homelessness risk where payment cycles, and delays and errors in implementation, see people in receipt of Universal Credit struggle to pay their rent on time leading to rent arrears.

* 1. With the largest group under managed migration likely to include people with higher support needs than people currently in receipt of Universal Credit, it is vital that the support provided and the functionality of the system is improved in time for managed migration.
  2. There are areas of Universal Credit that unintentionally increase the risk of homelessness and housing instability which must be addresses prior to managed migration**.** These are detailed below, but further details of the issues and solutions can be found in [Crisis’ plan to end homelessness](https://www.crisis.org.uk/media/238959/everybody_in_how_to_end_homelessness_in_great_britain_2018.pdf), specifically Chapter 10 Making Welfare Work.
  3. **Errors and delays in implementation:**

1. Crisis local services are too often dealing with delays in payment of Universal Credit, errors in payment calculations, and application of safeguards in the system such as Alternative Payment Arrangements.
2. **To reduce current errors in implementing Universal Credit, resources must match demand as Universal Credit rollout continues.** This should include investment in training and numbers of staff, especially the recently announced homelessness experts in Jobcentres from the Government’s Rough Sleeping Strategy, and staff in services centres and helplines.
   1. **Ongoing financial stability:**
3. Similarly, the payment cycle in Universal Credit means there is a minimum 5 week wait for an initial payment at the start of a claim. People experiencing homelessness or housing instability are unable to withstand this wait in payment. Crisis local services and other homelessness organisations are finding that the current solution of advance payments puts pressure on finances in the long-term, particularly where other deductions for existing debt have to be made too. This increases homelessness risk over a longer period of time. It also prevents people from being able to stabilise their housing due to financial difficulties.
4. **Crisis recommends that people experiencing homelessness should have access to the equivalent financial support as an advance payment without having to pay it back, and deductions should be set at affordable levels that make sure people avoid repeat homelessness or homelessness.** This will ensure Universal Credit allows for a rapid rehousing approach to homelessness or homelessness risk, so that people can be supported to immediately stabilise their housing situation and then take steps to move forward from there with budgeting, housing, and employment support. A rapid rehousing approach is also recognised as vital in the Government’s recent Rough Sleeping Strategy.
   1. **Identifying and supporting people experiencing homelessness or at risk:**
5. The Department for Work and Pensions should use the newly announced homelessness experts in Jobcentres in the Rough Sleeping strategy to coordinate local partnership working to identify and respond to homelessness and housing instability.
6. Based on the learnings and success of local Crisis teams, homelessness leads should:

* **Establish and support joint working arrangements and protocols with their local authority Housing Options teams and local partners, including local homelessness organisations and health services.** Particularly for managed migration, this should involve working with closely with the local authority, hostels, and those in temporary accommodation to identify who may be vulnerable and ensure they receive the right support for managed migration and are not unintentionally overlooked. For people that may be harder to reach or are unknown to local homelessness services, it can also include linking in with other key local services, such as health, police and outreach teams, through working with the council or directly with these services.
* **Establish protocols for data sharing between Jobcentre Plus, local authorities, and local partners.** These protocols would support with identification and monitoring of homelessness and housing instability, and could be used to understand how best to support people through the managed migration process.
* **Ensure Jobcentre Plus work coaches are trained to recognise and respond to homelessness and housing need.** This should include completing a training module delivered in collaboration with local homelessness specialists. Crisis is keen to develop this new training with the Department for Work and Pensions, based on our own experiences of what has worked effectively to achieve a significant culture shift to homeless prevention in some Jobcentres.

Changes needed to the proposed managed migration process

* 1. The process of managed migration itself must protect people against any homelessness risk and respond to unstable housing and homelessness. For this to be achieved, a number of changes are needed to the proposed managed migration process.
  2. **Identifying and supporting vulnerable claimants:**

1. **The backstop in managed migration should be removed**. Current benefits should only be stopped once a claim for Universal Credit and a calculation for entitlement has already been made under managed migration. Setting up local partnership working will help identify and reach vulnerable claimants, including those not currently receiving benefits.
2. **At a minimum, information regarding vulnerability and the individual’s circumstance should be transferred from the current system into Universal Credit.** This should also include carrying over any ‘flags’ on people’s claims that were in place to highlight vulnerability. **There should be functionality built into Universal Credit to mark a vulnerable situation on a person’s claim.** Homelessness and risk of homelessness should be easily identifiable on a claim in this way. The right conditionality, particularly for people receiving Employment Support Allowance, must also be carried over correctly.
3. **The deadline date for a claim should be automatically shifted until a Universal Credit claim has been made**. In accordance with the proposed regulations, this deadline can be extended for people with vulnerabilities who may need longer to collect evidence for a claim. **People identified as being vulnerable, such as experiencing homelessness or being at risk, should automatically be given an extension of three months to make their claim**. This should include people who have been identified as being in rent arrears, even if this was not previously identified or known under the current legacy system.
   1. **Transitional Protection:**
4. **Transitional Protection should apply when there is a successful claim for Universal Credit, regardless of previous failed claims.** This will provide a better safeguard against errors in making an initial claim than what is proposed currently. This also takes into account challenges some people experiencing homelessness may have with getting their initial claim right.
5. **Transitional Protection should not be eroded as a result of changes in rent, the benefit cap, or movement in and out of work.** This will give people a greater chance to maintain their rent payments and housing stability and will also reduce any barriers to moving into work for those that have managed migrated.
   1. **Monitoring and evaluation:**
6. **To improve trust and confidence in Universal Credit and managed migration, the Department for Work and Pensions should reintroduce report on business plan transparency measures.** This should include specific indicators to monitor the progress of managed migration on homelessness and other vulnerable groups, as well as on the process more broadly. This will help the Department to identify national trends to feed in to their ‘test and learn’ approach, and the Department should be required to formally report risk mitigation plans to respond to any risks that this monitoring highlights.

1. **Key areas of focus**

**Identifying and supporting vulnerable claimants**

* 1. Crisis is concerned that the proposed regulations for managed migration substantially rely on the Department for Work and Pensions being able to identify vulnerable claimants. As highlighted in the recent report from the National Audit Office on the roll out of Universal Credit, the Department currently has no way of identifying, recording and monitoring people who may be considered vulnerable at a national level.[[2]](#footnote-2)
  2. The lack of identification for people considered vulnerable will impact whether people can take up the proposed safeguards to be able to extend the time they have to claim Universal Credit – and therefore the time before which their benefits will be stopped completely. If someone does not receive or understand from a letter that they have to make a Universal Credit claim, this could mean they may only end up starting a claim once their benefits have already been stopped. This would mean an extended period of time without financial support.
  3. People experiencing homelessness and people at risk of homelessness do not have the resources to withstand payment delays, and particularly if these delays continue for a significant period of time. Crisis local services already report delays in Universal Credit payments, and particularly in more complex cases, which have led to increasing financial difficulties. This situation often leads to rent arrears. In some cases, homelessness has only been avoided with intense negotiation between Crisis coaches and landlords. In the most complex cases, it has taken Crisis coaches months for our clients to receive the correct payment.
  4. This is also reflected in the National Audit Office report, which found that 40% of people experiencing a delay in their claim had to wait 11 weeks, and 20% experienced a wait of almost 5 months. The report also noted that it is unlikely that payment timeliness will improve.[[3]](#footnote-3)
  5. Without putting in place a straightforward and reliable way to both initially identify and record/monitor vulnerability on an ongoing basis, there is a high risk of a delay of managed migration to Universal Credit. This will increase homelessness risk and prevent people from solving their homelessness.
  6. It will also make it likely that people being managed migrated will not receive a tailored, appropriate response to their needs, which can lead to their situations being made unintentionally worse. Crisis local services regularly find that safeguards in the system, such as the homeless easement and tailoring the Claimant Commitment to reflect housing activity, fail to occur for people experiencing homelessness.
  7. This makes it difficult for people experiencing homelessness to focus on stabilising their housing situation before taking steps towards work or improving quality and amount of work if they are already employed. It also makes it harder for them to comply with conditionality under Universal Credit, leaving them at risk of sanctions, which can directly cause homelessness[[4]](#footnote-4), and disengagement from the system. This undermines both what Jobcentres aim to achieve and the success of Universal Credit.
  8. Crisis therefore recommends that **before managed migration commences, the Department for Work and Pensions uses the newly announced homelessness experts in Jobcentres in the Rough Sleeping Strategy to coordinate local partnership working to identify and respond to homelessness and housing instability**.
  9. Experiential evidence from local Crisis services working in partnership with Jobcentres has shown the benefit of establishing a lead on homelessness to successfully support people experiencing homelessness, and those at risk, onto Universal Credit.
  10. Crisis teams in Edinburgh have built close relationships working with Jobcentres by establishing a homelessness lead in the local Jobcentre. This lead has been responsible for coordinating partnership working, including embedding understanding of housing and homelessness through training for work coaches, disseminating best practice and success stories, and supporting with fortnightly drop in sessions with Crisis coaches.
  11. Similarly in Newcastle, Crisis teams are working on a Homelessness Prevention Trailblazer Programme. This pilot project has supported 150 people in its first year and has established close working relationships between Crisis, Jobcentres and the council, to identify and support people experiencing homelessness and at risk. Leads have been established within both Jobcentres and the council to carry out this work, and the relationship between the Jobcentre and council has developed so that they are now working together to identify vulnerable claimants, such as people sleeping rough, to join up interventions between the council, Jobcentre, outreach teams, the police, and health services.
  12. The welcome announcement of homelessness leads across Jobcentres creates the opportunity to embed similar approaches to partnership working with local support services. While it may sometimes be difficult for the Department or Jobcentres to identify people experiencing homelessness or at risk, it is likely that these people will have engaged with other services locally, and particularly with Housing Options teams in the council.
  13. Based on the learnings and success of local Crisis teams, homelessness leads should therefore:
* **Establish and support joint working arrangements and protocols with their local authority Housing Options teams and local partners, including local homelessness organisations and health services.** Particularly for managed migration, this should involve working with closely with the local authority, hostels, and those in temporary accommodation to identify who may be vulnerable and ensure they receive the right support for managed migration and are not unintentionally overlooked. For people that may be harder to reach or are unknown to local homelessness services, it can also include linking in with other key local services, such as health, police and outreach teams, through working with the council or directly with these services themselves.
* **Establish protocols for data sharing between Jobcentre Plus, local authorities, and local partners.** These protocols would support with identification and monitoring of homelessness and housing instability and could be used to understand how best to support people through the managed migration process.
* **Ensure Jobcentre Plus work coaches are trained to recognise and respond to homelessness and housing need.** This should include completing a training module delivered in collaboration with local homelessness specialists.
  1. Crisis believes this partnership working will be critical to the success of managed migration to help identify and support vulnerable claimants. However, even a comprehensive system in place cannot completely mitigate the risk of people falling through the gaps. This is particularly true for people with more chaotic and complex lives who may not be accessing services, or in areas with a lack of services, such as people sleeping rough or people experiencing homelessness in rural areas.
  2. Therefore, Crisis strongly recommends that **the backstop in managed migration is removed. Current benefits should only be stopped once a claim for Universal Credit and a calculation for entitlement has already been made under managed migration**.
  3. This will reduce the risk of unintentionally increasing financial difficulties and homelessness risk by leaving people without financial support for an extended period of time. Crisis welcomes the intention of the Secretary of State to send a reminder 2 weeks after notification and 2 weeks before the deadline day of the claim, but believes this is likely to be ineffective for the most vulnerable people with chaotic lives.
  4. By removing the backstop, any claims that are not made within the given deadline should prompt further investigation by the Department for Work and Pensions. The need for the Department to act in this way is already recognised in the proposals.
  5. To give the Department access to as much information as possible, Crisis recommends that **at a minimum information regarding vulnerability and the person’s circumstance is transferred from the current system into Universal Credit.** This should include carrying over ‘flags’ on people’s claims that were in place to highlight vulnerability. **There should be functionality built into Universal Credit to mark a vulnerable situation on a person’s claim. Homelessness and risk of homelessness should be easily identifiable on a claim in this way.**
  6. As well as providing a safeguard for people whose additional support needs may be missed through managed migration, it will reduce errors with processing currently evident in Universal Credit. For example, Crisis coaches are finding that people receiving Employment Support Allowance who naturally migrate onto Universal Credit do not have the correct conditionality transferred over with them, putting them at increased risk sanctions and financial instability. Having the functionality to correctly record vulnerability and conditionality will reduce the likelihood of such errors and the negative impact on the individual.
  7. Removing the backstop will also mean that **the deadline date for a claim should be automatically shifted until a Universal Credit claim has been made**. In accordance with the proposed regulations, this deadline can be extended for people with vulnerabilities who may need longer to collect evidence for a claim. Crisis believes that **people identified as being vulnerable, such as experiencing homelessness or being at risk, should automatically be given an extension of three months to make their claim**. Experiential evidence from Crisis local services and across the homelessness sector indicates that claims often take longer than one month due to needing to gather sufficient evidence. This time period is also insufficient when someone needs to access support to make their claim.
  8. Putting these additional safeguards in place will help to ensure that managed migration is set up to support those moving on to Universal Credit from the beginning.
  9. This is also true for people who are identified as at risk of homelessness – such as people in rent arrears. Crisis local services in full Universal Credit areas have reported that the roll out of Universal Credit has revealed that a number of people on the legacy system were in rent arrears, but these were not identified. In Birmingham, Crisis local services report this number as being as high as 60%.
  10. These people are also at risk and vulnerable, and so Universal Credit and the managed migration process itself present an opportunity to support more people to ensure they do not become homeless. For people identified as at risk of homelessness, they should have better access to homelessness prevention measures in place under the Homelessness Reduction Act (2017). This includes to duty to refer for Jobcentres to the council, which, under local partnership working, should result in a more integrated approach to supporting someone to prevent homelessness between the Jobcentre and the council.

**Transitional Protection**

* 1. The Transitional Protection feature is a key safeguard in the managed migration process. It is understandable that in any major change to the welfare system there will be some people who lose out compared to the previous system.
  2. Crisis believes that at a minimum, this protection should help to reduce homelessness risk and support people to stabilise their housing situation. In the proposed draft regulations, there are a number of scenarios where Transitional Protection can be eroded and directly impact on someone’s ability to keep up with paying their rent.
  3. The proposed calculation of Transitional Protection means that it can be eroded as a result of changes in rent, moving in and out of work, and the benefit cap. Crisis is concerned that these proposals will act as a barrier to people experiencing homelessness or at risk from stabilising their housing situation through both housing interventions and work. For many people, moving into sustainable work that covers the cost of housing is the best way of ending homelessness.
  4. In particular, as the benefit cap will now apply to the whole of a Universal Credit claim, rather than just Housing Benefit, there will be cases where people will lose more of their benefit through managed migration onto Universal Credit. The impact of the benefit cap on housing instability for those unable to move into work is clear[[5]](#footnote-5), and this will unintentionally increase homelessness risk.
  5. **Crisis recommends that Transitional Protection is not eroded as a result of changes in rent, the benefit cap, or movement in and out of work.** This will give people a greater chance to maintain their rent payments and housing stability, and will also reduce any barriers to moving into work for those that have managed migrated.
  6. Similarly, the proposed regulations suggest that where an initial Universal Claim is unsuccessful, Transitional Protection will not apply. This is likely to undermine those with more chaotic lives that may require support to make a claim. Crisis local services also report claimants terminating claims due to misunderstanding of Universal Credit, and difficulties with digital skills. **Crisis recommends that Transitional Protection applies when there is a successful claim for Universal Credit, regardless of previous failed claims.**

**Monitoring and evaluation**

* 1. The implementation of such a major reform has proven to be time intensive and a significant challenge. The Department for Work and Pensions is currently dealing with the dual challenge of reducing these errors and delays in the current Universal Credit roll out and ensuring these issues are not replicated in the managed migration process. Addressing issues in a transparent way is important for creating trust and confidence in Universal Credit as a welfare system, and the managed migration process.
  2. **Crisis recommends that to improve trust and confidence in Universal Credit and managed migration, the Department for Work and Pensions should reintroduce report on business plan transparency measures.**
  3. Under the legacy benefits system from 2011 to 2015, the Department was required to report on key measures, including customer service, with the aim of setting new standards for transparency so the public could easily see how and where taxpayer’s money was spent; and hold politicians, government departments, and public bodies to account.[[6]](#footnote-6)
  4. This reporting should include specific indicators to monitor the progress of managed migration on homelessness and other vulnerable groups, as well as on the process more broadly. This will help the Department to identify national trends to feed in to their ‘test and learn’ approach, and the Department should be required to formally report risk mitigation plans to respond to any risks that this monitoring highlights.

**For further information, please contact**

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1. Downie, M., Gousy, H., Basran, J., Jacob, R., Rowe, S., Hancock, C., Albanese, F., Pritchard, R., Nightingale, K. and Davies, T. (2018) Everybody In: How to end homelessness in Great Britain. London: Crisis. [↑](#footnote-ref-1)
2. National Audit Office (2018) *Rolling Out Universal Credit*. London: National Audit Office. [↑](#footnote-ref-2)
3. Ibid. [↑](#footnote-ref-3)
4. Batty, E., Beatty, C., Casey, R., Foden, M., McCarthy, L., Reeve, K. (2015) *Homeless people’s experiences of welfare conditionality and benefit sanctions*. London: Crisis*.*  [↑](#footnote-ref-4)
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6. Ibid. [↑](#footnote-ref-6)