



Local Authority Insight Survey (Wave 33)

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This report presents findings from Wave 33 of the Local Authority Insight Survey, which focuses on Universal Credit Managed Migration (UCMM) and the reduction in Housing Benefit (HB) backdating period from six months to one month. This online survey of Housing Benefit Managers at 380 local authorities (LAs) was conducted in spring 2017.

Key findings

Universal Credit Managed Migration

This survey was designed to gather LA feedback on UCMM, with explicit details of the UCMM programme provided at the beginning of the questionnaire. However, it is likely that some LAs have included responses to the broader Universal Credit (UC) transition, therefore findings may represent opinions and actions relating to both UCMM and UC in general.

Most LAs had done some work to prepare for UCMM, although the extent of the preparation is not known and is anticipated to have been small given that the Department for Work and Pensions (DWP) and LAs are currently at the beginning of the UCMM process and therefore not all details are yet available.

Nine out of ten LAs reported that some claimants would need personal budgeting support and 93 per cent said they would be able to provide that support. However, seven per cent felt they would not be able to provide the support needed.

LAs requested more information about UC from DWP, including a timetable for implementation and information for themselves and claimants.

LAs are concerned about the impact on claimants of current problems with UC implementation.

LAs are also concerned about the impact of redundancies within the HB teams resulting from UCMM.

Reduced Housing Benefit Backdating period

On average, LAs reported that since April 2016, 16 per cent of new working-age HB claims were requested to be backdated.

Almost a half of backdating claims (eight per cent of all new HB claims) received covered a period of more than one month.

Over half of LAs reported that the number of HB backdating claims had remained at the same level.

Over half of LAs (58 per cent) reported having not observed any direct impacts on claimants as a result of shortening the HB backdating period.

There were concerns that people making a backdating claim were likely to suffer from mental or physical illness, or to have low levels of literacy or learning difficulties.

Claimants making an HB backdating claim were also likely to have rent arrears, which Discretionary Housing Payments were helping to mitigate.

LAs are concerned that vulnerable people are the most affected by the reduced HB backdating period.

Methodology

NatCen Social Research (NatCen) conducted an online survey of HB Managers and those in a similar position at 380 LAs in England, Scotland and Wales. Email invitations containing unique links to the survey were sent to each LA. In total, NatCen received responses from 145 Benefit Managers which covered 151 LAs. This amounts to an overall response rate of 42 per cent, up from 34 per cent in the previous wave.

The survey responses in the report are drawn from the experiences of the Benefit Managers at the LAs and reflect variable data collection practices around UCMM and HB backdating.

Background to policies

Universal Credit Managed Migration

UC has replaced a number of legacy benefits, including Employment and Support Allowance (ESA), Jobseeker's Allowance (JSA), Income Support (IS), Tax Credits and HB. Under the legacy system HB was managed by LAs, but under the new system, UC (which also includes a housing costs element) is managed by DWP.

Currently, new claimants and existing HB claimants in UC areas who report changes of circumstances apply to UC – this is known as natural migration. Where existing claimants have no change of circumstances, they will be moved over to UC in a phased process which will start in 2019. This is known as managed migration.

The change impacts on LAs as they will no longer administer HB, and will be responsible (jointly with DWP) for the smooth transition of

claimants from the old scheme to the new one. In addition, LAs have relationships with landlords and, whereas under the legacy scheme HB was paid to landlords, under UC it is paid to claimants. LAs will therefore need to engage with landlords – including their own housing function which might be delivered directly, or via a Housing Association.

It should be noted that managed migration will not commence until 2019 and no detailed plan or timetable is yet available. It is possible that some of the responses relate to LAs' work on UC in general, rather than the managed moves process.

Limiting HB backdating to one month

Under previous rules, working-age HB claimants might have had their claim backdated for up to six months, if they could show 'continuous good cause' for the delay in claiming. Under UC, backdating is limited to one month.

HB was brought into line with the UC backdating period, whilst retaining the requirement to demonstrate good cause for failing to make the claim. This change introduced equality for working-age claimants by aligning HB rules with the current UC approach. The pension-age HB regulations remained unchanged.

Aims of research

Specific objectives of the research in relation to UCMM are to understand:

- what activities LAs are undertaking internally to prepare for managed migration;
- what activities LAs are doing with others, including claimants and landlords, to prepare for managed migration; and
- claimants' likely support needs with regard to UC, and to what extent those needs can be met.

Preparations for managed migration

The majority of LAs (84 per cent) had not transitioned to UC full service. Over two-thirds of LAs (69 per cent) had already prepared claimants for UCMM. Just under two-thirds of LAs (61 per cent) had prepared their staff and systems. Over a third (35 per cent) had prepared private landlords. Fewer LAs had prepared third parties for UCMM (17 per cent). It should be noted that LAs were not asked about the extent of the preparations. Given that the information the LAs had on managed migration was minimal, the extent of preparations is likely to be small.

Types of support HB claimants will need and whether these services are available within the LA

Ninety-three per cent of LAs who identified that claimants would need support during the migration process also confirmed that those support services were available. Eighty-three per cent of LAs thought that claimants would need help with digital inclusion and this would be available. Eighty-seven per cent of LAs who thought that claimants will need support reported that the support was available.

Support LAs need from DWP to help with UCMM

LAs were asked what support they need from DWP, if any, to help with UCMM. Responses included:

- Timetable and planning.
- Funding.
- Communication with DWP.
- Data management.
- Training and liaison with landlords and third parties.

Local authority concerns about preparing for UCMM

LAs reported their biggest concerns about preparing for UCMM as follows:

- Lack of information from DWP.
- Increased workload for LAs created by lack of awareness of UC and its implications from claimants, their landlords and other organisations.
- IT systems and data management problems.
- Benefits being miscalculated, including concerns about the double-counting of UC and HB and the absence of fraud checks for UC.
- Funding concerns.
- Support to landlords not being provided by DWP.
- Private landlords refusing to rent to benefit claimants.
- Concerns that evictions, resulting from late or non-payment of HB, would increase.
- Communication with DWP.
- Importance of the role of local knowledge not being recognised.
- Difficulties for claimants understanding how UC works.
- Digital Inclusion. LAs reported that claimants struggled to access their online account.
- Impact of UCMM on vulnerable people.

Housing Benefit Backdating

The aims of the research in relation to HB backdating period were to understand:

- how the change in policy had impacted on claimants; and
- whether any particular claimant groups had been affected more than others.

All of the LAs had accepted new claims for HB since April 2016. On average, LAs reported that since April 2016, 16 per cent of new working-age HB claims were requested to be backdated.

In total, 47 per cent of backdating claims (eight per cent of all HB claims) covered a period of more than one month. One LA commented that many claimants will have gone over a month before they realise that they are having problems and need to claim.

The majority of LAs reported that since April 2016 the number of requests to backdate HB claims had stayed the same compared with previous years, when the backdating period was six months.

Eighty-nine per cent of LAs reported that HB claimants with mental and/or physical disabilities or health conditions were one of three groups who most commonly apply for backdating.

Forty-five per cent of LAs reported that being recently unemployed was one of the three most common reasons for backdating requests. Where claimants had never claimed before they lacked information about the benefits system and were unaware that there was a time limit to claims.

Seventy per cent of LAs reported that at least some of the HB backdating claimants had significant arrears (as defined by the LA). LAs reported that the reduction in the backdating period was increasing the proportion of claimants with rent arrears.

Over half of LAs (58 per cent) reported having not observed any direct impacts on claimants as a result of reducing the HB backdating period.

Of those LAs who identified an impact on claimants as a result of reducing the HB backdating period (39 per cent of all LAs), the vast majority (98 per cent) identified that the effects on claimants were negative, resulting in an increase in rent arrears and ongoing financial hardship.

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The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 911003 88 5. Research Report 951. March 2018).

You can download the full report free from: <https://www.gov.uk/government/organisations/department-for-work-pensions/about/research#research-publications>

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