



## Briefing note: Managed migration from legacy housing benefit to universal credit

### Summary

- At least 340,000 people who currently claim legacy housing benefit (HB) will be issued with [migration notices](#) in 2024 telling them to apply for universal credit (UC) within a 3 month period. People who do not apply before the deadline risk having their benefits payments ended
- 1 in 4 (25%) people who have already received a migration notice have not applied for universal credit and have had their legacy benefits stopped
- Concerning evidence from the Department for Work and Pensions (DWP) [Discovery programme](#) suggests that claimants who solely receive housing benefit are less likely to successfully apply for universal credit before the deadline
- There are specific differences between housing benefit and universal credit which will likely make the transition difficult for this group of claimants, including the fact that in many cases claimants will be used to their housing benefit being paid directly to their landlord
- **Cutting off housing benefit for people who do not claim will most likely lead to them building up rent arrears, putting them at serious risk of homelessness.**
- **This is particularly concerning given that the housing benefit claimants affected by managed migration are mainly living in social rented homes so may find social landlords refuse to let to them in future if they have a history of rent arrears. This is likely to leave them homeless and trapped in damaging temporary accommodation with few options to find a new permanent and affordable home.**

### Recommendations

- **Pause the rollout of universal credit to housing benefit-only claimants** in light of findings from the Discovery project that this cohort in particular struggles to engage with managed migration. Insights from Discovery should be used to work out how to best support HB-only claimants to move to UC.
- **Work with local authorities and social landlords to identify people who may need support.** Since local authorities administer housing benefit, they are well-placed to identify claimants who may face additional barriers to managed migration, such as having sought housing support (e.g. discretionary housing payments), experienced domestic abuse or being in council tax arrears. Engaging social landlords when tenants do not claim by their deadline date would be a crucial intervention to prevent rent arrears and eviction.
- **Resource advice services.** Migration notices direct people who need help to use the website [advicelocal.uk](https://www.advicelocal.uk) to find a local independent advice service. However, in a period of extremely high demand and inadequate legal aid, many services are already over-subscribed or even facing closure. The speed of the rollout is likely to mean that not everyone who needs independent help will be able to access it.

## **Background**

The Department for Work and Pensions (DWP) is in the process of moving claimants from legacy benefits to universal credit (UC) via managed migration.

Managed migration differs from 'natural' migration, which since 2018 has applied to claimants of legacy benefits who have had a change of circumstances. Under managed migration, claimants are issued with a migration notice informing them that they must make an application for UC.

From April 2024, the range of claimants who will be sent a migration notice will rapidly expand. DWP has set itself a deadline of transferring most legacy benefit cases to UC by April 2025. It plans to send out 440,000 migration notices between April and September 2024 to people in receipt of four legacy benefits including housing benefit.

### **What is managed migration?**

Managed migration is the process by which DWP is phasing out tax credits and legacy benefits for people of working age. Claimants are issued with a migration notice telling them that their legacy benefits will be ending and are given three months' notice of a date by which time they need to have made a claim for UC.

If claimants who move through the managed migration process are entitled to less money on UC than they were on their legacy benefits, they are entitled to 'transitional protection', which tops up their award amount to the equivalent of their previous entitlement. This transitional protection erodes over time as UC is uprated and/or their circumstances change. Claimants who go through managed migration therefore have a safeguard against loss of benefits income which those who migrate 'naturally' do not. This transitional protection is very important to prevent an unfair 'cliff edge' in lost income, something which Shelter has successfully helped people to challenge in court.<sup>1</sup>

If someone fails to make a claim for UC before their three-month deadline, they have a one month grace period during which they can make a claim and still receive any transitional protection they may be entitled to.

But if they still have not claimed within this period, they face the prospect of having their legacy benefits cut off entirely. There's evidence this could happen to a significant number of people. One in four (26%) households who received a migration notice from July 2022 to August 2023, mainly former tax credits claimants, did not claim UC and have had their benefits payments terminated.<sup>2</sup>

Managed migration has been ongoing since 2022 with most of those who have moved so far being people who were only claiming tax credits. A small number of other benefit claimants have also been moved as part of DWP's 'Discovery' project to test the process with a higher degree of support.

### **Who will be affected by managed migration in 2024?**

The below table (adapted from a Child Poverty Action Group briefing) details the planned dates for issuing migration notices to different cohorts of claimants this year.

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<sup>1</sup> Elliot Kent, [Shelter legal win protects disability benefits for people moving home](#), March 2024.

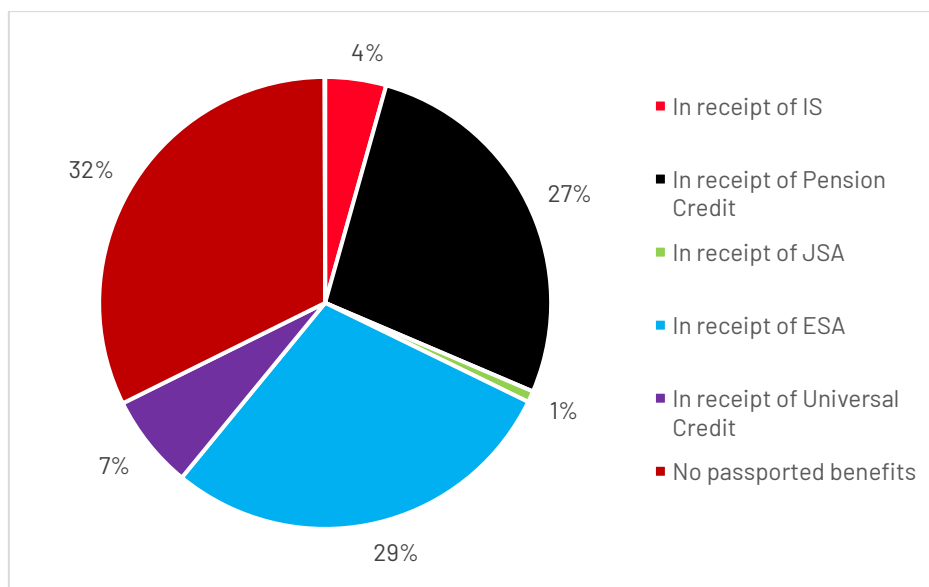
<sup>2</sup> DWP, [Move to universal credit - insight on tax credit migrations and initial Discovery activity for wider benefit cohorts](#), February 2024.

Benefit received	No. of claimants	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Housing benefit only	100,000						
Housing benefit & tax credits only	120,000						
Income Support (including IS+HB)	110,000						
Employment support allowance & tax credits (including ESA+TC+HB)	90,000						
Job-seekers allowance (including JSA+HB)	20,000						

DWP have postponed managed migration for claimants in receipt of employment and support allowance (ESA) and housing benefit (as well as ESA-only claimants) until 2028.<sup>3</sup>

There will be 220,000 claimants across the UK issued notices before September 2024 who are currently receiving housing benefit only or housing benefit plus tax credits. DWP data from November 2023 suggests that there are approximately a further 120,000 people in the UK receiving housing benefit with either jobseekers' allowance (JSA) or income support (IS) who will be moved with those cohorts.

In total, we can therefore expect at least 340,000 migration notices to be issued to people in receipt of housing benefit this year.<sup>4</sup>



Passported (i.e. means-tested) benefit status of housing benefit claimants, November 2023. Taken from DWP Stat-Xplore.

<sup>3</sup> House of Commons Library, [Universal credit: a checklist before claiming](#), April 2023.

<sup>4</sup> DWP, Stat-Xplore, Housing benefit data from April 2018. Based on passported benefit status tables for November 2023.

There is a serious risk of homelessness for people who have their housing benefit cut off and subsequently face eviction for rent arrears, as claimants are likely to be from groups who struggle to access suitable homes. People who claim housing benefit are disproportionately likely to be disabled, and having a disability makes it incredibly difficult to find a new suitable and affordable adapted home.<sup>5</sup>

The claimants being moved are predominantly living in social rented homes:

- 82% of people who receive HB and IS, and
- 76% of those who receive HB and JSA

are social tenants.<sup>6</sup> People who are evicted from social homes for rent arrears can find themselves at serious risk of homelessness with very few options available to them. Their history of rent arrears may mean social landlords may refuse to let to them in future.

### **Who is not affected?**

There is a large group of housing benefit claimants who will remain unaffected by managed migration this year. In total, we expect there to be more than 1.3 million households still in receipt of housing benefit by April 2025, many of whom will be of pension age with a minority who are experiencing homelessness. There is also a large group of HB+ESA claimants whose migration has been deferred until 2028.

- **People of pension age:** The DWP reports that 27% (630,000) of housing benefit claimants are also in receipt of pension credit, so will not be receiving migration notices because managed migration only applies to people of working age.
- **People who receive employment and support allowance (ESA):** 29% (669,000) of claimants also receive ESA. These claimants will not be issued with migration notices (until 2028 at least) unless they also claim tax credits. DWP data does not allow us to confirm exactly how many people might be affected from this cohort, although it is likely to be a small proportion since the total ESA+tax credits cohort is estimated to be 90,000.
- **People who are homeless and living in temporary accommodation:** 7% (157,000) are in receipt of universal credit alongside housing benefit. This group will include many who are homeless and living in temporary or supported accommodation, and managed migration will not affect their housing benefit entitlement.

Since housing benefit will continue to operate for over a million households beyond April 2025 (unlike other legacy benefits which are being wound down entirely) there is no administrative need to migrate claimants to UC in such a short timescale.

### **Why is Shelter concerned about the impact of managed migration?**

We share concerns raised by Child Poverty Action Group (CPAG), who are researching the experiences of claimants undergoing managed migration and monitoring DWP's statistics on the outcomes.

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<sup>5</sup> Shelter, [Written evidence to the LUHC select committee inquiry into disabled people in the housing sector](#), September 2023.

<sup>6</sup> DWP, Stat-Xplore, Housing benefit data from April 2018. Based on passported benefit status and tenure of claimants for November 2023.

There is a serious risk that without appropriate support to claim before the three month deadline, many people will face loss of housing benefit which could put them at risk of rent arrears and, ultimately, homelessness. We are very concerned that, as CPAG have highlighted, a quarter of claimants sent a migration notice who have reached the deadline so far have not claimed and have had their legacy benefit or tax credit payments terminated.

In their most recent briefing,<sup>7</sup> CPAG have raised the following as key issues affecting claimants:

- Barriers for claimants who have difficulties dealing with unfamiliar demands, uncertainty, stress and change
- Claimants who ought to be deferred under DWP's own guidance, such as people with terminal illnesses, wrongly receiving migration notices and in some cases being refused cancellations or deferrals to which they are entitled
- Unclear or misleading communications from DWP, which caused claimants to miss out on transitional protection
- Unmet need for information and advice, particularly on the amount of UC that claimants are likely to be eligible for

We are also concerned by results from DWP's Discovery project, which has trialed moving some legacy benefit claimants early. Results show that housing benefit-only claimants involved in the Discovery project are more likely to miss the three month deadline to claim.<sup>8</sup>

Housing benefit claimants may face particular challenges in moving to universal credit because of significant differences between how housing benefit and universal credit operate:

- Housing cost payments are by default paid to the claimant under UC, unless it is specifically requested that the payment goes to the landlord. Claimants who currently have their HB paid directly to their landlord will have to adjust to receiving their housing costs and discuss this with their landlord unless they request an alternative payment arrangement
- If payments are currently made directly to the landlord, claimants may not even be aware that they are in receipt of housing benefit. Our advisors report that this is commonly the case for tenants living in social homes.
- Housing benefit-only claimants are likely to be those who have not had a change of circumstances for a long time, so may be unused to the active claim management required under universal credit

We understand that DWP are developing a toolkit and engaging with social landlords about managed migration. Social landlords are well-placed to support their tenants through the managed migration process and avoid the serious risk of rent arrears and eviction if tenants have their housing benefit cut off. However, we understand that a lack of data-sharing agreements and the need for explicit consent from claimants limits the direct engagement of social landlords with DWP to smooth the transition to universal credit.

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<sup>7</sup> Child Poverty Action Group, [Managed Migration Briefing 4](#), February 2024.

<sup>8</sup> DWP, [Move to Universal credit – insight on tax credit migrations and initial Discovery activity for wider benefit cohorts](#), February 2024.

Due to the significant differences between legacy housing benefit and universal credit, many people receiving migration notices will need access to specialist welfare benefits advice to understand their entitlements and challenge any incorrect decisions. However, since the cuts to legal aid introduced in 2013 following LASPO (Legal Aid, Sentencing and Punishment of Offenders Act 2012), legal aid is generally not available for most welfare benefit cases.

The cuts to legal aid have resulted in the reduction of providers of specialist welfare benefit advice making it difficult for people to challenge decisions by the DWP or find early support with enforcing their housing rights which can often prevent homelessness.<sup>9</sup> The Law Society reports that 85% of people in England and Wales now live in areas without a welfare legal aid provider.<sup>10</sup> Expert advice is important to ensure that people affected by managed migration can challenge any incorrect decision. With long delays to the listing of cases at the tribunal, claimants may be better off following the mandatory reconsideration process or getting a specialist welfare benefits advisor to issue a pre-action protocol (PAP). Many people will struggle to navigate these processes or know what the best route to redress is without access to specialist help and could end up with incorrect universal credit awards as a result.

### **What should DWP do?**

We support CPAG's recommendations for improvements to the managed migration process. In particular, we urge the DWP to:

- **Pause the rollout of universal credit to housing benefit-only claimants** in light of findings from the Discovery project that this cohort in particular could be at risk. Insights from the support provided through Discovery should be used to work out how to best support HB-only claimants to move to UC. Since housing benefit will remain a live benefit for more than a million claimants after 2024/25, there would be minimal additional administrative cost to slowing the rollout to mitigate the risk of rent arrears and homelessness.
- **Work with local authorities and social landlords to identify people who need additional support.** Since local authorities administer housing benefit, they are well-placed to identify claimants who may face additional barriers to managed migration, such as having sought housing support (e.g. discretionary housing payments), experienced domestic abuse or being in council tax arrears. Engaging social landlords when tenants do not claim by their deadline date would be a crucial intervention to prevent rent arrears and eviction.
- **Resource advice services.** Migration notices direct people who need help to use the website [advice.local.co.uk](http://advice.local.co.uk) to find a local independent advice service. However, in a period of extremely high demand and inadequate legal aid, many services are already over-subscribed or even facing closure. The speed of the rollout is likely to mean that not everyone who needs independent help will be able to access it. Anyone who needs to challenge an incorrect managed migration decision is unlikely to be able to access expert welfare benefits advice to do so.

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<sup>9</sup> Ruth Ehrlich, [Legal aid: the missing cornerstone of renters' rights](#), December 2018.

<sup>10</sup> Law Society, [Welfare benefits – legal aid deserts](#), February 2024.