Move to UC Data and Insights Pack

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Board/Authority/Group: UC Programme Board

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For Information / below the line paper.

UCPB210223 – BTL02

Main objective

- Below the line paper presenting an overview of analysis we have on the Move to UC process, combining quantitative analysis with research.
- The paper will be provided monthly to the UC Programme Board; this update represents the situation as of February 2023.
- Key timings for clearance: n/a.
- This paper is: For information / below the line.
- Required outcome: n/a – for information.

Please note:
- Figures in this pack are subject to retrospection – data in future updates may change, even for historical results.
- The information in this pack represents what we believe to be correct as of the time of production. Future developments may result in changes to what is presented here.

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High Level Management Summary

a. Problem context and statement: Below the line paper presenting an overview of analysis we have on the Move to UC process, combining quantitative analysis with research.	h. Communications implications: n/a
b. Has a previous decision been made? Why do you want to change it?: n/a	i. Delivery partner/employer implications: n/a
c. Potential solution options: n/a	j. Performance metric/MI implications: This paper builds on the Managed Move Weekly MI to add more context about the wider Move to UC process.
d. Design considerations: including impact on the Operating Model, Cost Model, Change Impacting, etc n/a	k. Assumptions to validate: n/a
e. Financial and commercial issues: n/a	l. Transformative/people/behavioural implications: n/a
f. Legal issues: n/a	m. Consultation with other relevant Stakeholders: n/a
g. Policy impact: n/a	n. Proposed next steps: n/a – for information

Summary.

Section 1: Completed moves to UC and remaining legacy caseload
- 2.3 million households remain on the legacy caseload up to the end of December 2022. The caseload forecast was around 5% lower than the actuals.
- 216,000 households moved to UC between January 2022 and December 2022.
- From 26 April to 27 May, Tax Credit customers received UC leaflets in their annual Tax Credit renewal packs.

Section 2: Managed migrations analysis and research.
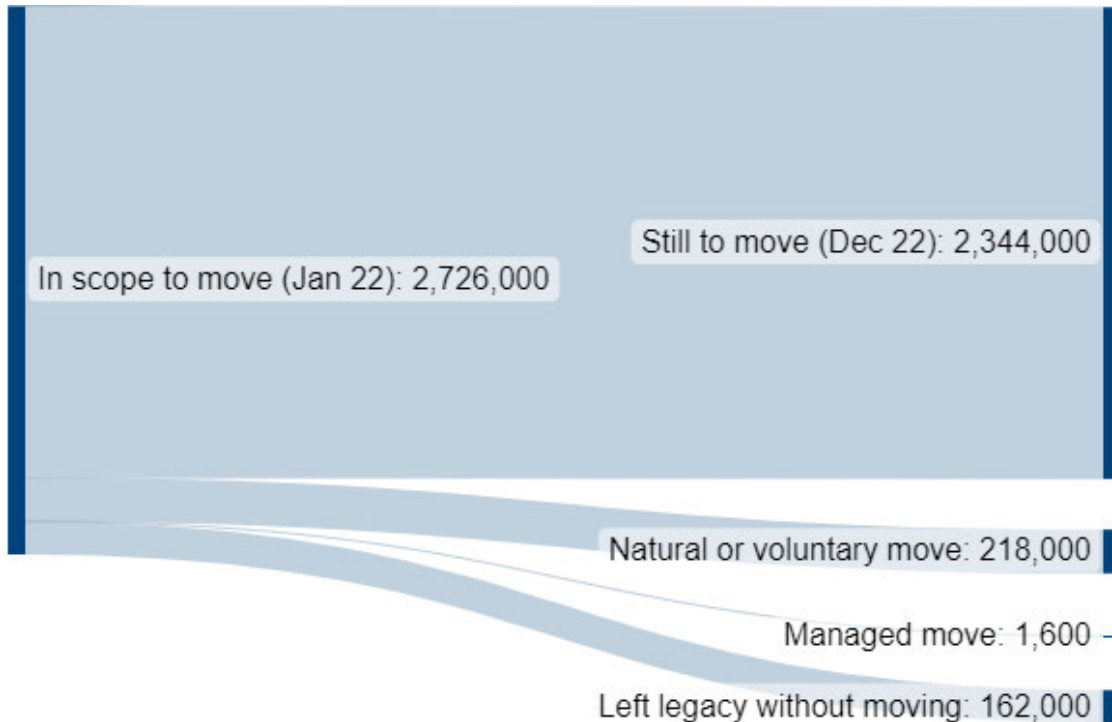
- Since May 2022, 2,911 people have been sent a Migration Notice (MN) to move to UC (managed migrations). Of these:
    - 1,783 have made a claim to UC.
    - All claimants in the cohorts have passed their original migration deadlines.
    - Almost 30% of claimants in Echo had their legacy benefits terminated without moving to UC.
    - From November 2022, MNs are being issued on a continuing basis (referred to as "Standard") instead of cohorts.
    - We're starting to see an increase in the number of MNs sent on a continuing basis in preparation for scaling throughout 2023.

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Section 1: Completed moves to UC and remaining legacy caseload.

This section covers:

- Moves from legacy benefits to UC.
- The remaining legacy caseload still in scope for moving to UC.

UC

2.3 million households remain on the legacy caseload as of the end of December 22

In scope to move (Jan 22): 2,726,000

Still to move (Dec 22): 2,344,000

Natural or voluntary move: 218,000

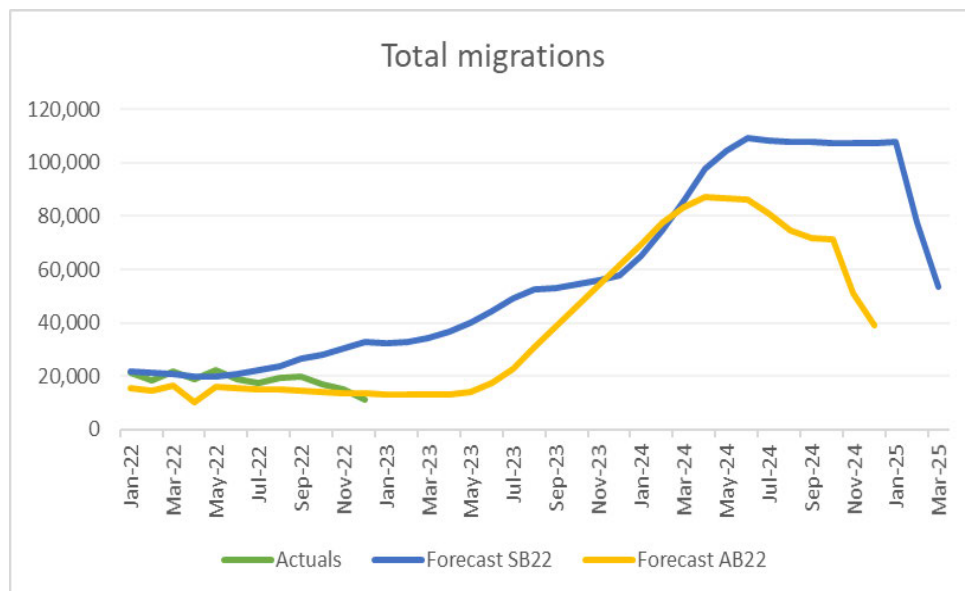Managed move: 1,600 –

Left legacy without moving: 162,000

From January-22 to December-22 we have estimated that:

•218,000 households moved to UC via natural or voluntary migration.
•1,600 households moved to UC via managed migrations
•162,000 households left legacy benefits without moving to UC.

Notes:
- The method above uses different datasets to estimate the fall in legacy caseload and migrations so the number leaving legacy benefits without moving to UC is just illustrative.
- In addition, the datasets used for forecasts and actuals are not fully consistent – colleagues are working on producing one consistent dataset to combine actuals and forecasts.

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The Autumn 22 legacy benefit migration forecast was slightly above actuals in December 22

Actual migrations were slightly lower than forecast at Spr-22 because of the additional voluntary migrations we assumed would happen. We have since removed these and the actual migrations are now higher than the Aut-22 forecast (other than the expected dip in migrations in December).

The definition used to identify actual migrations is a household that makes a declaration for UC within 45 days of their legacy claim closing. They do not have to go on to receive a UC payment.

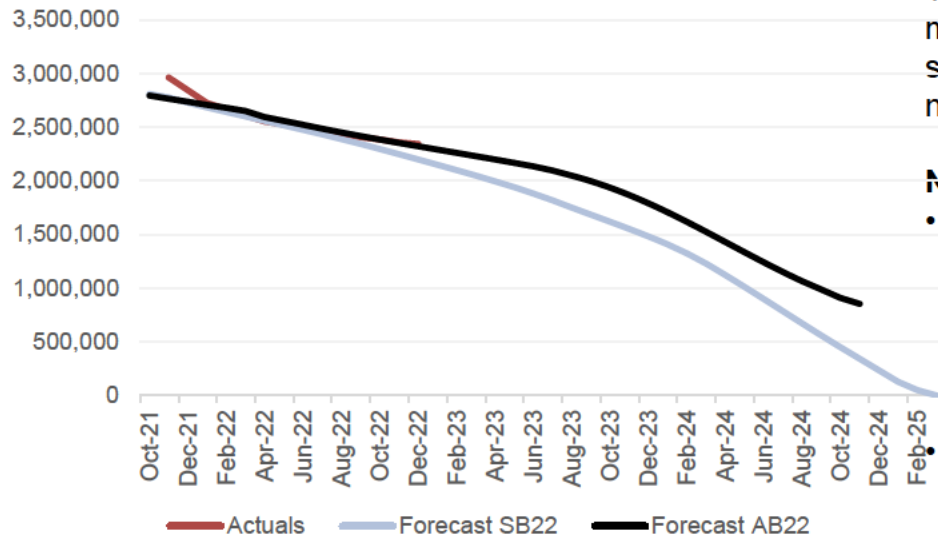Both sets of figures include Managed Migrations.

Notes on Actuals:

- The legacy benefit migration forecast is based on a different dataset to the estimate of the actual number of households remaining on legacy benefits. We know that this dataset is **over-reporting actuals**. Work is underway to produce data using a consistent series. This should be available to use for next month's report.

Total migrations

Migrations	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Actuals	21,000	18,000	22,000	19,000	22,000	19,000	18,000	19,000	20,000	17,000	15,000	11,000
Forecast SB22	22,000	21,000	21,000	20,000	20,000	21,000	22,000	24,000	26,000	28,000	31,000	33,000
Forecast AB22	16,000	14,000	17,000	10,000	16,000	15,000	15,000	15,000	15,000	14,000	14,000	14,000

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The Autumn 22 legacy benefit caseload forecast was around 1% lower than actuals in December 22

Legacy benefit households

Legend: Actuals — Forecast SB22 — Forecast AB22

The Aut-22 forecast is lower than actuals because migrations to UC have been lower than forecast (set out on slide 6) but also because other exits from legacy benefits are not as high as forecast.
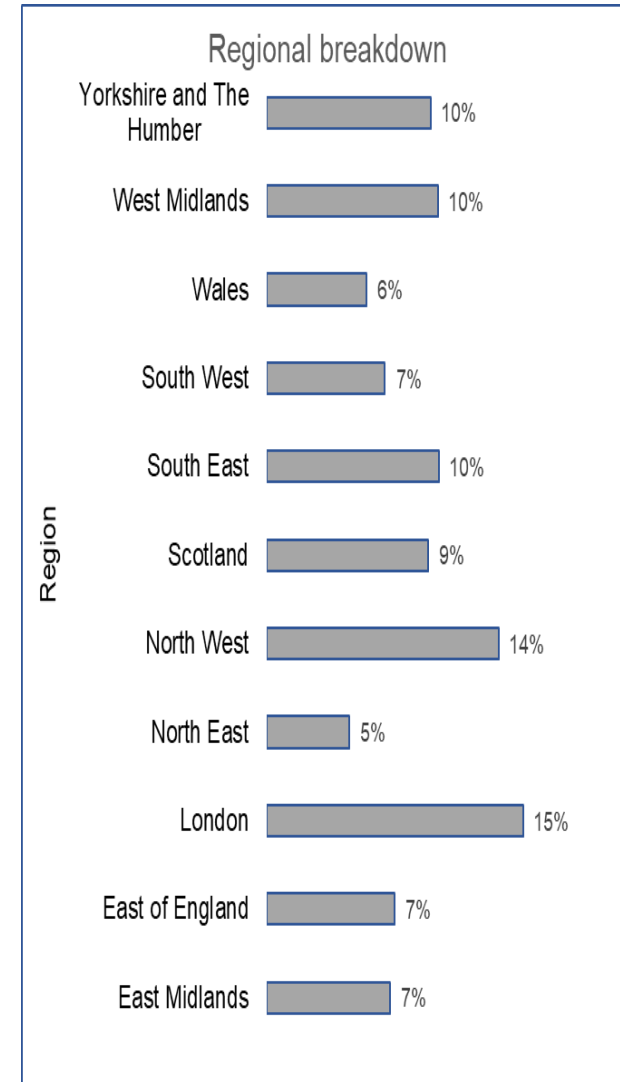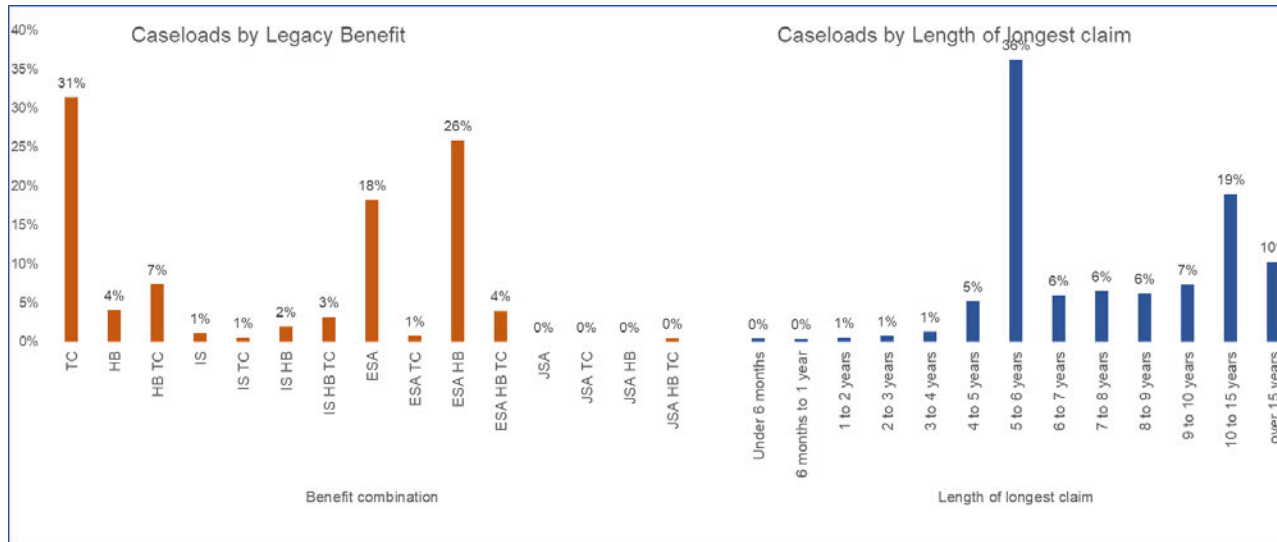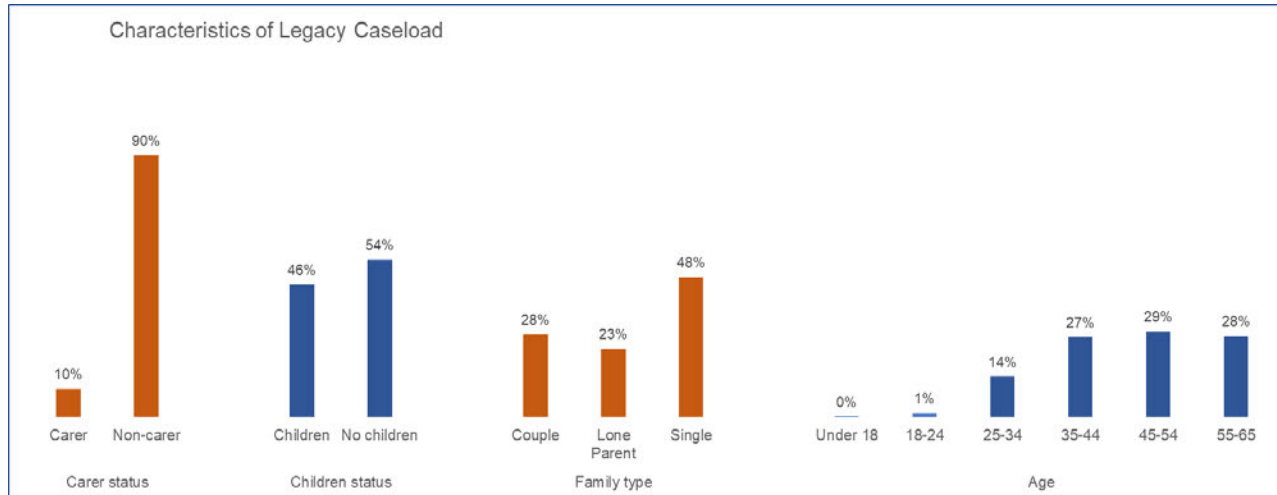
Notes:

- The legacy benefit caseload forecast is based on a slightly different dataset to the estimate of the actual number of households remaining on legacy benefits. Work is underway to produce data using a consistent series.

Latest figures based broadly on data to end of December 22.

Legacy caseload 000s	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Actuals (000s) (estimated)	2,726	2,668	2,611	2,554	2,526	2,499	2,471	2,437	2,407	2,385	2,360	2,344
Forecast SB22 (000s) actuals to Oct-21)	2,685	2,642	2,600	2,560	2,518	2,477	2,434	2,390	2,344	2,298	2,249	2,199
Forecast AB22 (000s) actuals to Apr-22	2,708	2,681	2,651	2,596	2,559	2,522	2,488	2,452	2,419	2,386	2,353	2,322
% Difference	-1%	0%	2%	2%	1%	1%	1%	1%	0%	0%	0%	-1%

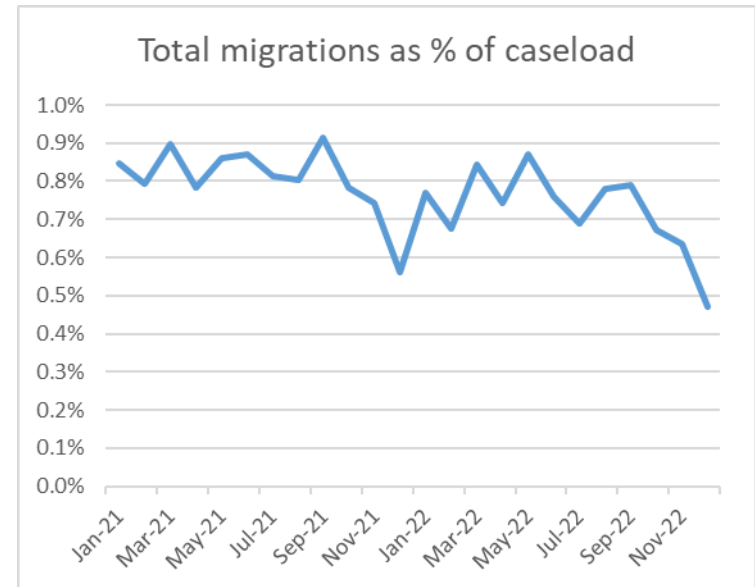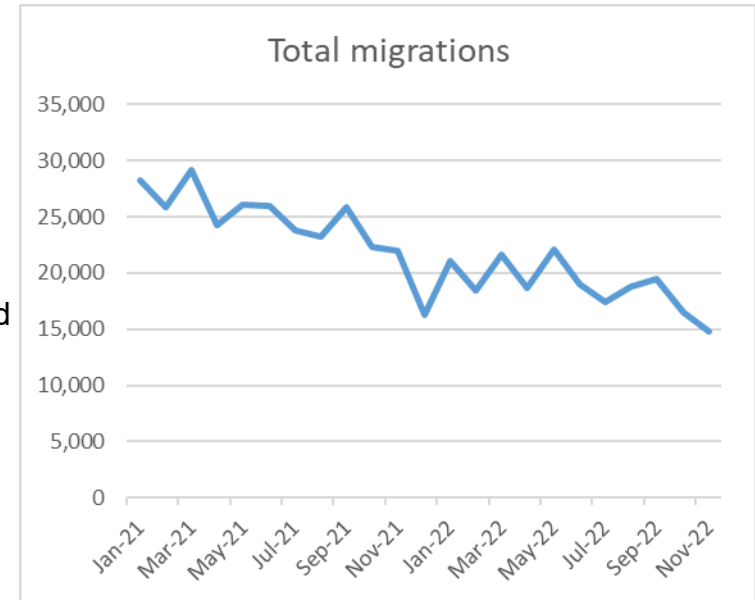# Characteristics of the remaining legacy caseload as at end of September 22 (last update)

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Move to UC Dashboard December 22

- Migrations have fallen over the last year as the legacy caseload falls – *these figures don't include managed migrations*.
- Migrations have tended to fall as a % of the overall caseload as longer term claimants remain on the caseload who are less likely to have a change of circumstance to trigger a natural migration.
- Migrations as a % of the caseload – again, a dip in December is observed as fewer claims tend to be made.

Migration volume monthly estimates	Total migrations	Legacy caseload	Total migrations as % of caseload
Jan-22	21,000	2,726,000	0.8%
Feb-22	18,000	2,668,000	0.7%
Mar-22	22,000	2,611,000	0.8%
Apr-22	19,000	2,554,000	0.7%
May-22	22,000	2,526,000	0.9%
Jun-22	19,000	2,499,000	0.8%
Jul-22	17,000	2,471,000	0.7%
Aug-22	19,000	2,437,000	0.8%
Sep-22	19,000	2,407,000	0.8%
Oct-22	16,000	2,385,000	0.7%
Nov-22	15,000	2,360,000	0.6%
Dec-22	11,000	2,344,000	0.5%

Total migrations

Total migrations as % of caseload

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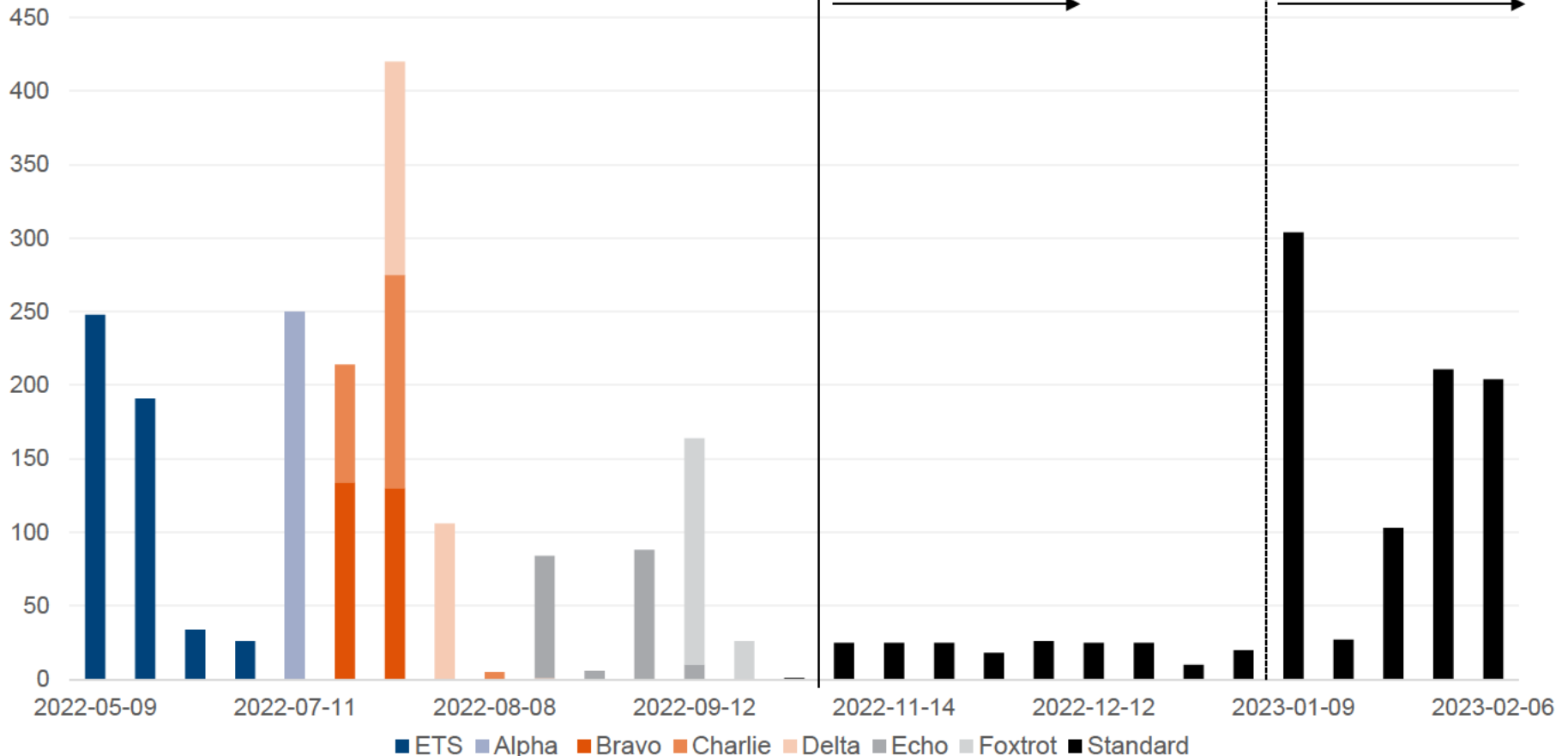# Section 2: Managed migrations analysis and research

This section covers:

- The test and learn approach.
- Analysis of people who have been sent a migration notice. This includes information on the extent to which they have progressed their UC claim.

Please note: Data on migration notices and managed moves are produced from a different source to the figures in Section 1. The managed migration data are updated more frequently which means we can produce more up to date figures than is possible for the voluntary and natural migration figures in the previous section.

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We're starting to see an increase in the number of Migration Notices sent on a continuing basis (referred to as "Standard"):
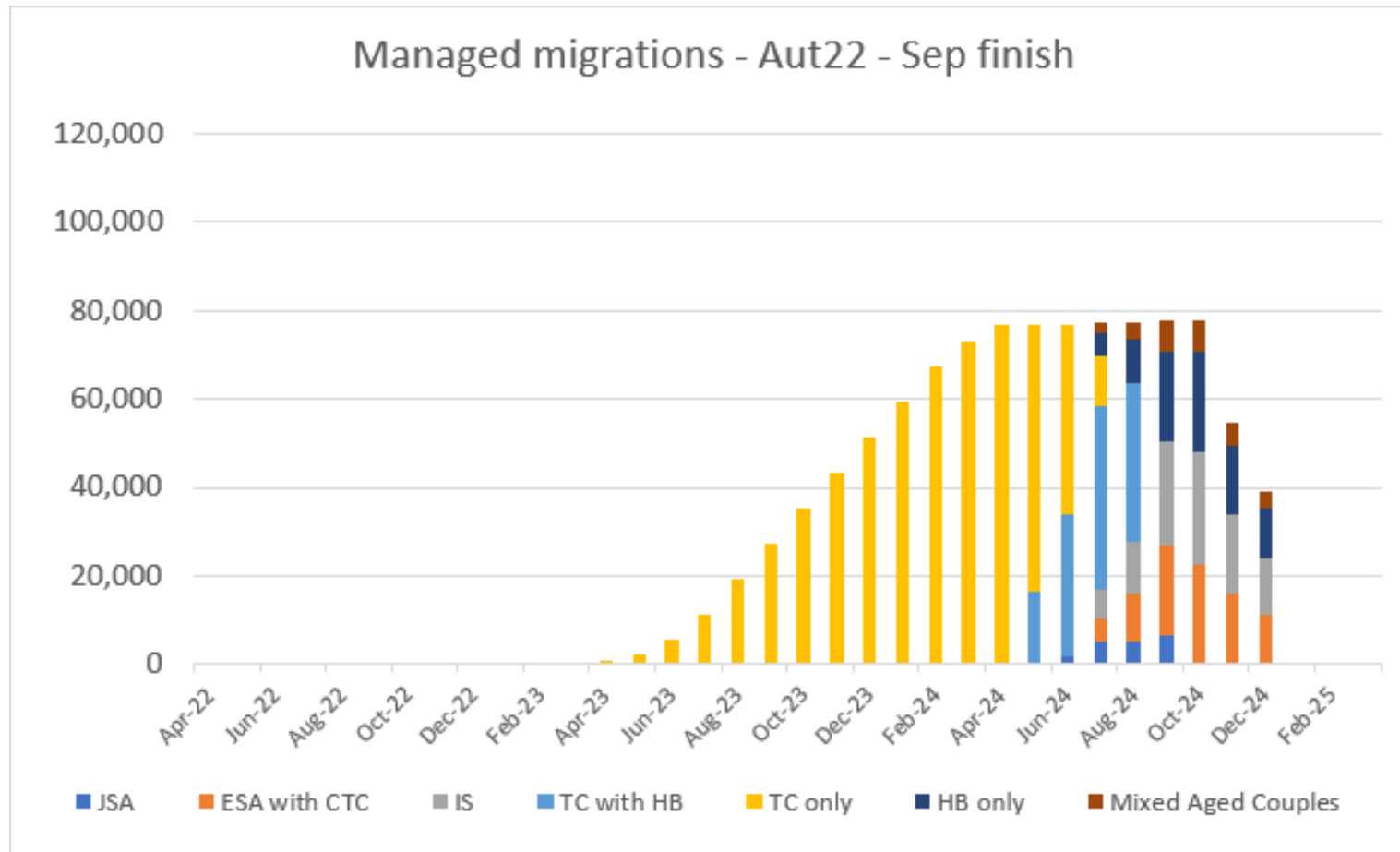
Number of Migration Notices sent each week
By cohort

Start of "Standard" →

Increase in MNs sent from early January 2023 →

Legend: ETS, Alpha, Bravo, Charlie, Delta, Echo, Foxtrot, Standard

Source: M2UC data, 14/02/2013

- The Migration Notices being sent on a continuing basis ("**Standard**") are being sent to **Tax Credit only claimants**.
- This is in preparation for **scaling of Tax Credit claimants in 2023**.

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Plan for scaling of Tax Credit claimants in 2023:

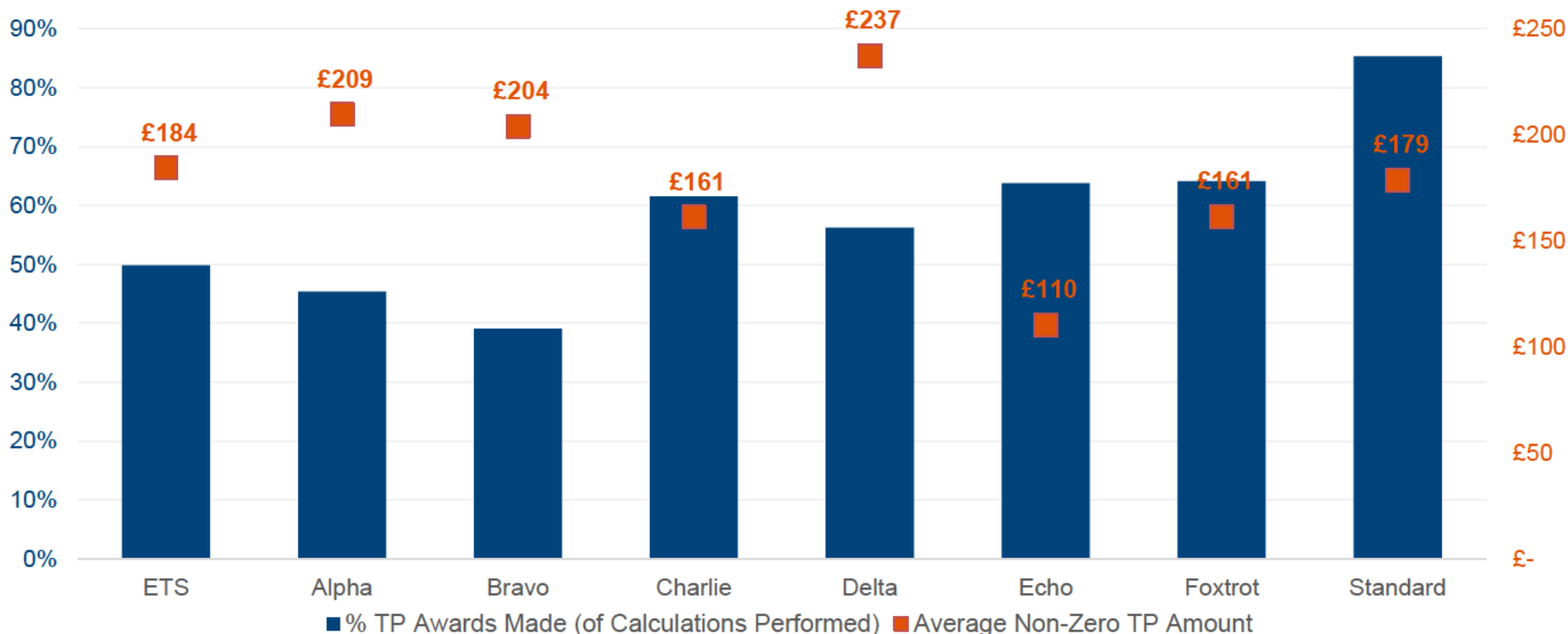Managed migrations - Aut22 - Sep finish

The plan is to scale to 60,000 Managed Migrations per month by January 2024, rising to almost **80,000 per month by April 2024.**

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A higher proportion of Standard cases are being awarded Transitional Protection (TP) compared to cohorts:

Proportion of Transitional Protection awards made (bars, LH axis)
And average amount* (dots, RH axis)

Source: M2UC dashboard, 14/02/2023
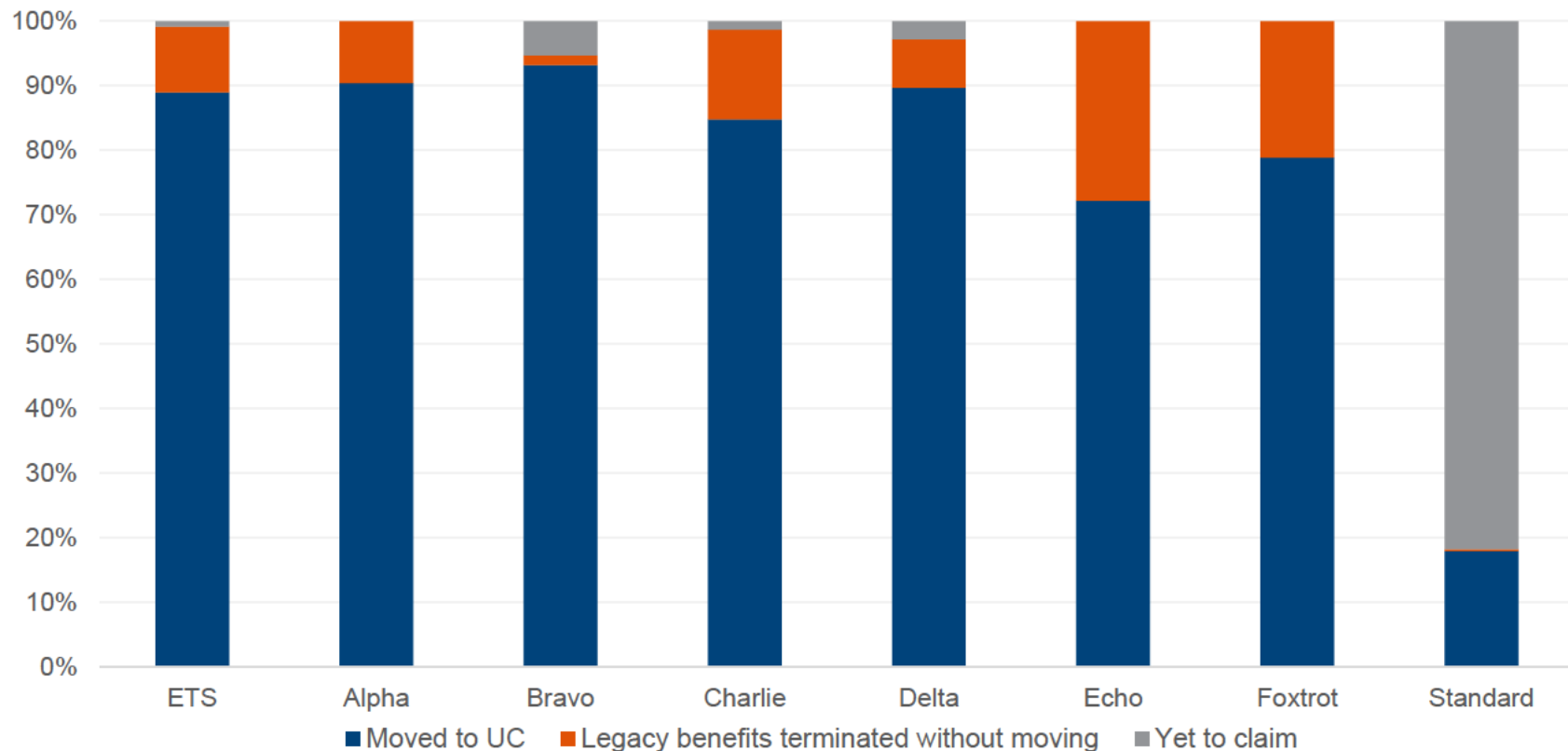* Average amount is the mean amount for non-£0 awards

We **must not assume this is representative** of the remaining cases yet to move because:
- **Small numbers** of Standard cases have made a claim.
- Those that have made a claim **are not likely to be representative** of the wider population, as those entitled to TP have a motivation to claim before their deadline date.

However, we will **monitor this proportion** to see if it comes down over time, as more people make a claim.

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All claimants in the cohorts have passed their original migration deadlines:

Current claim status
By cohort

Source: M2UC Dashboard, 14/02/2023

- But **none of** the "**Standard**" cases (MNs issued on a continuing basis) **have yet reached their migration deadline**.
- **Almost 30%** of claimants in **Echo** had their **legacy benefits terminated** without moving to UC.

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Almost 30% of claimants in Echo had their legacy benefits terminated without moving to UC.

The **Echo** cohort is **over-represented** in the proportion of claimants **working over 30 hours** and **not having children**. They receive **lower Tax Credit awards** on average.

All these factors are related to lower claim rates across the cohorts, and hence may go some way to explaining the higher proportion of legacy benefits being terminated without moving to UC in the Echo cohort.

The Echo cohort had the lowest average TC award. (Figure 1)
• Lower average TC awards correlate across cohorts with lower claim rates.

The Echo cohort had a high proportion of claimants working over 30 hours. (Figure 2)
• Working over 30 hours is correlated with a lower claim rate.

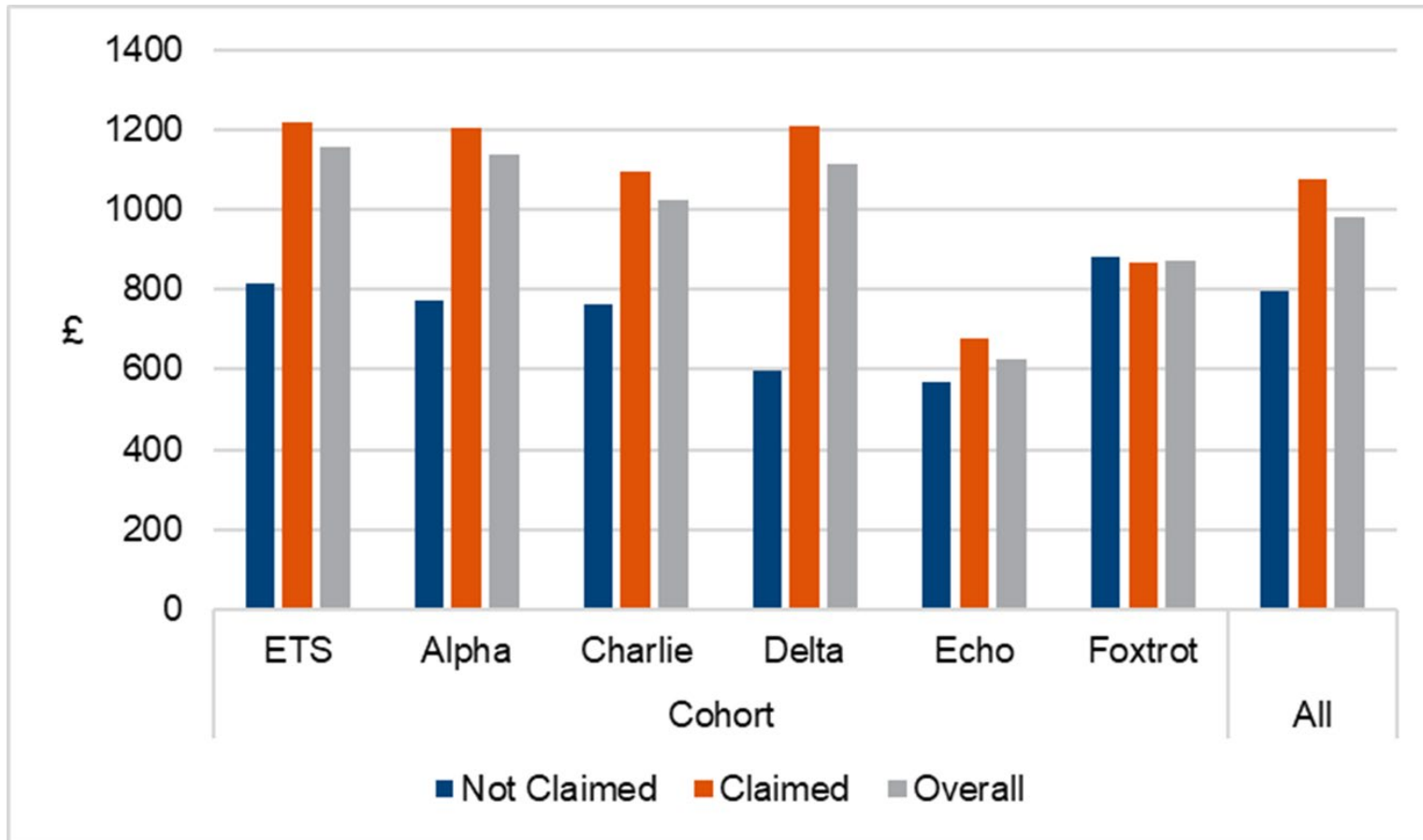**The Echo cohort had the lowest proportion of claimants with at least one child. (Figure 3)**
• Having at least one child is correlated with a higher claim rate.

The Echo cohort had a low proportion of claimants with at least one disabled child. (Figure 4)
• Having at least one disabled child is correlated with a higher claim rate.
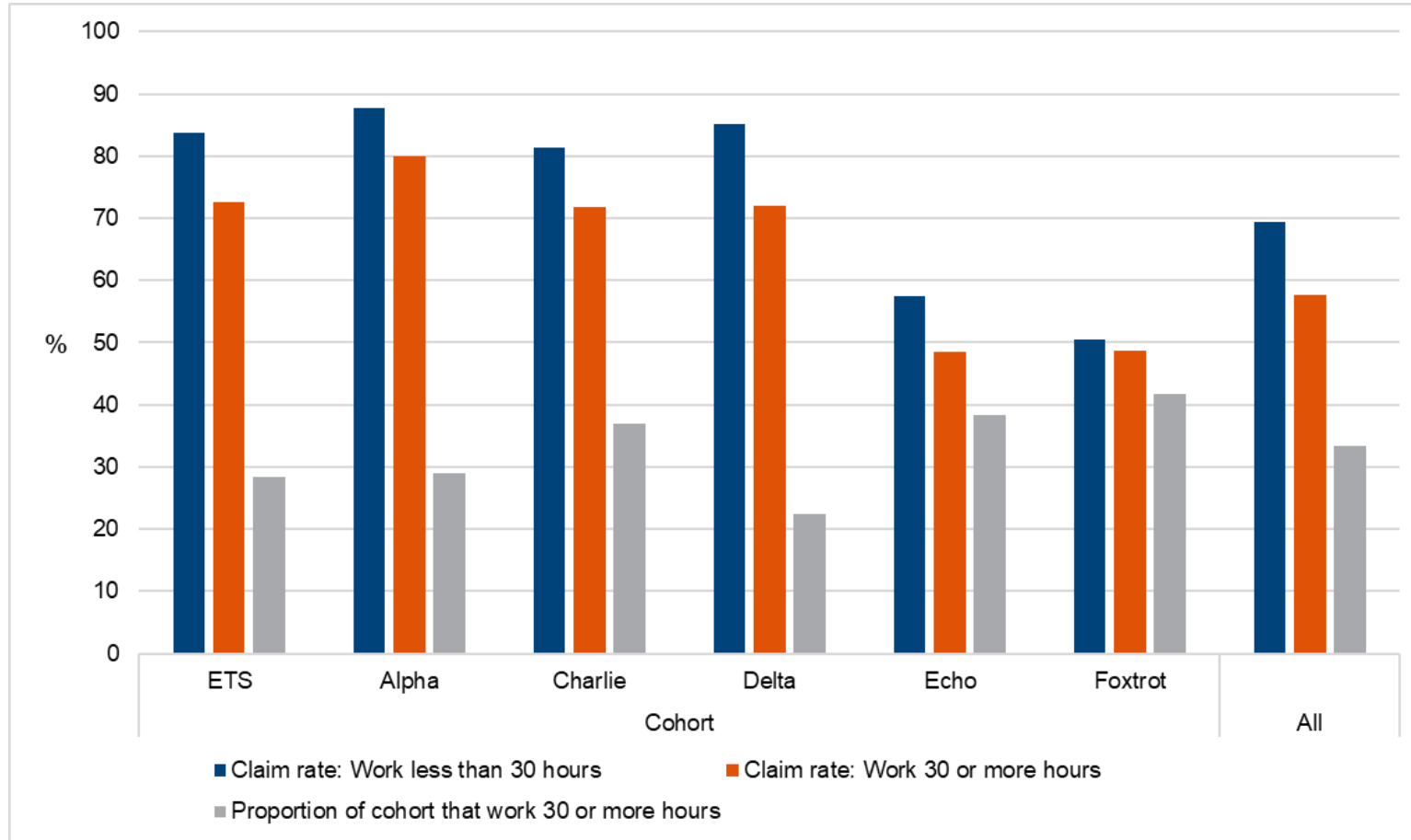
UC

Figure 1: Tax Credit claimants' average Tax Credit awards in each cohort by whether the claimants have made a claim to UC.
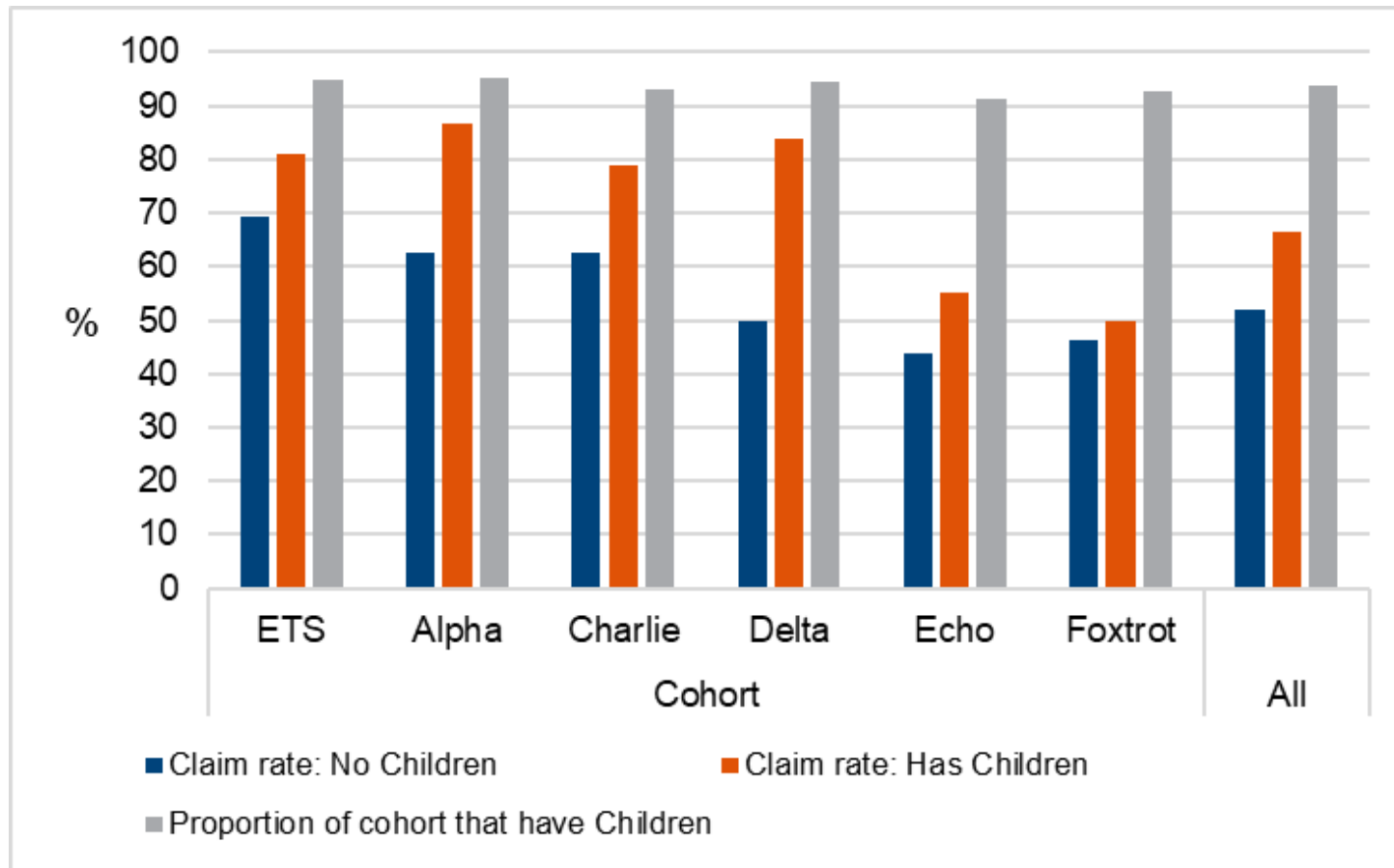

- The Echo cohort has the **lowest average Tax Credit award**.
- Having a **lower Tax Credit award** is correlated with a **lower claim rate**.

- Although we are still in the 'Discovery phase', we are starting to see that those who gained less from Tax Credits are **less likely to claim UC**.

UC

Figure 2: Claim rates of Tax Credit claimants in each cohort by whether the claimants work 30 hours or more, and the proportion of each cohort that work 30 hours or more.
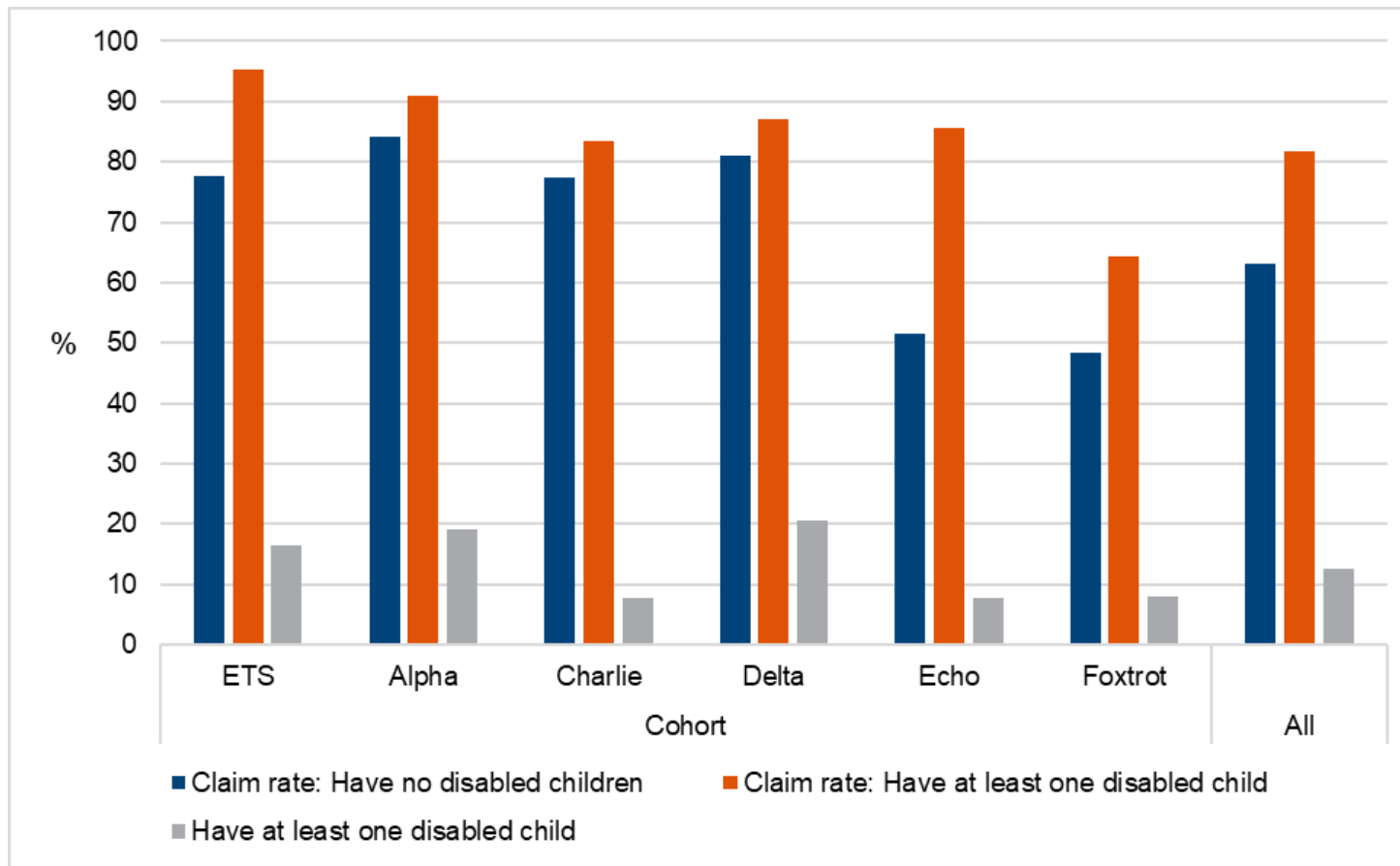

- The Echo cohort has a **high proportion** of claimants that **work 30 hours or more**.
- Working **30 hours or more** is correlated with a **lower claim rate**.

- Although we are still in the 'Discovery phase', we are starting to see that those that work more hours are **less likely to claim UC**.

UC

Figure 3: Claim rates of Tax Credit claimants in each cohort by whether the claimants have children, and the proportion of each cohort's Tax Credit claimants which have children.

Legend:
- ■ Claim rate: No Children
- ■ Claim rate: Has Children
- ■ Proportion of cohort that have Children

- The Echo cohort has the **lowest proportion of Tax Credit claimants with children**.
- Having **no children** is correlated with a **lower claim rate**.

- Although we are still in the 'Discovery phase', we are starting to see that those with children are **more likely to claim UC**.

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Figure 4: Claim rates of Tax Credit claimants in each cohort by whether the claimants have disabled children, and the proportion of each cohort's Tax Credit claimants which have disabled children.

- The Echo cohort has a **low proportion of Tax Credit claimants with disabled children**.
- Having **no disabled children** is correlated with a **lower claim rate**.

- Although we are still in the 'Discovery phase', we are starting to see that those with disabled children are **more likely to claim UC**.

Appendix 1: Move to UC Discovery Tests.

Test	Migration Notice version	Reminders version	Target cohort	Sample size	LA Area	Notes
Earliest Testable Service - baseline	Migration Notice v1	Reminders v1	All claimants (not all combinations covered)	500	Bolton + Medway	ETS journey - all experiments are measured against this baseline
Alpha	Migration Notice v2	Reminders v1	Exclude ESA Also Exclude HB in Bolton (some new combinations not in ETS)	250	Bolton + Medway	Test is of the alternative migration notice to explore if more direct wording elicits a high response rate.
Bravo	Migration Notice v1	Reminders v1	ESA (with combinations)	250	Bolton + Medway	This test is re-running the baseline test in order to learn about having more claimants in the journey.
Charlie	Migration Notice v1	Reminders v1	Tax Credits only	250	Bolton + Medway	This test is re-running the baseline test in order to learn about having more claimants in the journey.
Delta	Migration Notice v1	Reminders v1	All claimants	250	Cornwall	First new location: coastal area
Echo	Migration Notice v1	Reminders v2	Tax Credits only	250	Harrow	Second new location: test alternative reminders
Foxtrot	Migration Notice v1	Reminders v2	Tax Credits only	250	Northumberland	Third new location

From November, **Migration Notices are being issued on a continuing basis** as opposed to being sent in batches as cohorts.
Referred to as **"Standard"**, letters are being sent to **Tax Credit only** claimants.

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Summary

- This paper has been brought to this meeting because:
  Please indicate whether

As a below the line paper

Decision	Approved
n/a – for information	

UC