



Single Parent Families Impact Report

Issue 26

DWP Managed Migration -
Legacy benefits transferring to
Universal Credit

February 24

Table of Contents

- Introduction 1
- Main findings 1
 - 1. Health & wellbeing2
 - 2. Money and family income3
 - 3. Children.....5
 - 4. Spotlight7
- Policy Actions 16
- Conclusion 17

Introduction

OPFS regularly collects the experiences of single parents across Scotland. Through our five local services, national advice and information services and online support we capture key areas of concern for single parent families. Our bi-monthly monitoring reports uses this data to describe the impact of the cost-of-living crisis including rising energy costs and food bills.

There are five elements to our impact tracking model:

- **Gathering knowledge:** Parents' experiences are systematically collected and analysed.
- **Monitoring emerging issues:** Emerging issues are described and highlighted.
- **OPFS response:** Our services respond by working to meet the needs identified.
- **Dissemination and communication:** Emerging issues communicated to key influencers.
- **Single Parent Proofing:** Using single parent feedback to inform the development, implementation and evaluation of policy and practice so that they respond effectively to the needs of single parents.

There are three key areas which reflect the issue which single parents have contacted us about over the last two months and are linked to a spotlight, focused on managed migration:

1. Health and wellbeing
2. Money and family income
3. Children

Main findings

This impact report, which covers the period of January to mid-February 2024, highlights the challenges single parent continue to experience in their day-to-day lives. It also spotlights the latest changes to social security benefits by the UK Government referred to as 'Managed Migration' where people getting legacy benefits have their claims transferred to Universal Credit.

1. Health & wellbeing

Post Christmas, we note that parents' feelings of mental wellbeing are revolving around:

- the economic and social implications of divorce weighing heavily on mental health,
- the emotional strain of working out child contact arrangements with non-compliant resident parents,
- the feeling of isolation, which puts pressure on self-confidence and self-worth.



... I have decided to get a divorce after staying together for the sake of the children. I feel I am not coping at all now. Do you know where I start and how much does it cost to get a divorce in Scotland?

Single parent with three children.



I had to leave the family home and the children with him as my anxiety and depression were at a very low point. Now I am feeling better, and I have my own home, but my two teenagers do not want to see me... They have been telling me their Dad has been saying very negative things to them about myself. How can I move forward with this, I do not want my depression to return.

Single parent with two teenage children.



I am feeling very stressed and anxious about this. I cannot work now because of this as feel that certain places are judging me for being a solo parent. It is too much on top of everything else.

Single parent with one child.

These experiences give an insight into the harsh reality of single parents' lives. OPFS provides the information, advice and support to single parents, mainly mothers, to help tackle some of these very challenging situations. By ensuring they know their rights we aim to empower parents to take control of their lives, achieve good mental health and safeguarding family wellbeing.

2. Money and family income

Some parents are very concerned about managed migration, for example, how long their transitional protection will last as they migrate from different benefits to Universal Credit. Overall, financial struggles remain complex, and OPFS advisors access the most up to date information and training to provide a high-quality service. Some of the enquiries include:



I always received tax credits, but I have £17,000 in savings so I won't be eligible for Universal Credit now. How long will I get transitional protection for?

Single parent with two children



I have a letter from the DWP saying my Tax Credits will stop and I will have to make a claim for Universal Credit. Someone told me that you don't get any money for five weeks!

Single Parent with one child



I have a letter from the DWP saying my Tax Credits will stop and I will have to make a claim for Universal Credit. Someone told me that you don't get any money for five weeks!

Single Parent with one child



I have changed from tax credits to Universal Credit, but I have just been told that I must look for work at least 30 hours per week and take a job of 30 hours per week, this is impossible as there is no childminders or afterschool clubs in my area.

Single parent with three children



The winter period is really challenging when you are a single parent. It really affects us. Energy prices are soaring, food prices still going up and not having enough money to make ends meet. I just do not have enough money on a regular basis, and it is really affecting my confidence and it is causing anxiety.

Single parent with two children

We know that benefits cover far less than they once did, even when comparing with costs and prices from a year ago. The Financial Fairness Trust tell us that 38% of households in Scotland recently described their energy bills as unaffordable and a further 51% describe them as only 'somewhat affordable'.¹ We also know that in the coming years, whatever political party is in power, there will remain difficult economic and fiscal choices for the UK. Nevertheless, it is essential that the most vulnerable in society are not left behind when Government priorities are determined, both now and in the future.

3. Children

Parent feedback during January and the beginning February inevitably focus on living standards and the impact on the wellbeing of their children. Issues include,

- Childcare cover and lack of job flexibility.
- Post natal depression and struggles with being a first-time mother.
- Divorce/separation.
- Coercive and domestic abuse.

¹ Financial Fairness Trust, Jan 2024. *January 2024 | Fair Point | abrdn Financial Fairness Trust Newsletter*. [Available online](#).



My ex-partner who used to abuse and control me is now doing the same to our eight-year-old son. I am fighting this in court and feel it's happening all over again with my son. How can you help me as I don't feel believed by the courts and my ex-partner is threatening to have my child live with him full time as he says I'm lying.

Single parent with one child



Parent getting stressed as her ex-husband is not asking much about the two children 15 and 10 years of age. Asking should she be giving him weekly updates about the kids? Am I cutting him off by not contacting him about this? He is not a good communicator. This was a huge factor in our divorce.

Single parent with two children



My child is not yet three and is in nursery, but they have said if she is not out of nappies in the next few weeks, she can no longer stay at the nursery...Can they do this? What will I do if I cannot get my child out of nappies? I will lose my job.

Single parent with one child



I have had post-natal depression and am on medications for anxiety, but I want to get back to work. My children have had early childcare in place because of the PND but I am worried about how being back at work will feel and how I will manage financially etc. I am not confident. Is there any help with this?

First time single parent

The experience of these parents shows that the cost of living and surviving on a low income are not the only pressing issues facing single parents at this time. The social, emotional, and psychological aspects of bringing up children in the context of separation and divorce and often domestic abuse and coercive control add a very specific single parenting dimension.

4. Spotlight

Managed migration is where people getting legacy benefits will have their claims transferred to Universal Credit (UC). Managed migration is expected to be complete by March 2025 for most people. People who get Employment and Support Allowance and do not get tax credits are expected to move to Universal Credit by 2028.

Currently, tax credit claimants can already move to UC, either voluntarily or because of a change in their circumstances. However, the intention is that the tax credit systems will eventually cease and so most will eventually have to move across to UC through DWP/HMRC's new managed migration process.

The main difference between voluntary/natural migration and managed migration is transitional protection. Due to the UC rules, some people will be better off

claiming UC, some about the same and others will get less on UC than they got on their legacy benefits.²

The legacy benefits include,

- Income-based job seekers allowance/income-related employment and support allowance.
- Income Support.
- Housing Benefit.
- Child Tax Credit.
- Working Tax Credit.

Across our five local services parents are often struggling with negotiating this migration. The following case studies from Dundee and Glasgow spotlight some of the challenges.

Single parent from Dundee with two daughters, a teenager, and a four-year-old at the time of transition from tax credits to UC.

The slow transition over to UC left this parent without money in her bank to cover direct debits, leaving her anxious and worried about debt. She did not have enough money to cover food or fuel costs. The Family Support Worker made several referrals to the food bank over the course of a few weeks to try and mitigate some of these issues.



Changing over to Universal Credit caused a lot of stress, anxiety and worry about money. I experienced issues with unpaid direct debits as it took nearly six weeks for the payment. I needed support from OPFS for basic things like food and I was constantly worried about how I was going to feed my two kids or live day to day.

² Revenue Benefits, 2023. *Universal credit: Managed migration process.* [Available online.](#)

OPFS Family Support Worker undertook a financial health check for the parent using the expertise of OPFS Advice & Information service which identified a significant reduction in the amount of money that she received through UC, impacting on her ability to keep her family out of poverty.

Single parent from Dundee with five children described the following:

I always knew that I would automatically be moved to UC when I secured employment. The Tax Credit people ended the payment and did not offer any support when I called to say I had secured a job.

My biggest challenge was finding out what I was entitled to. Given I have five children. There was confusion about the benefits cap. I had misleading information which caused a lot of anxiety and stress. As it transpired the benefits cap did not apply due to the legacy entitlement.

It was hard to determine the overall financial losses due to sheer lack of information by the job centre and it was unclear. I had to do my own research for example, school clothing grant, I was told that I was not entitled when I was.

I obtained clear information from OPFS on what I was entitled to but when I shared it with the Job centre, they did their calculations, and they gave two different amounts. It felt it was a, “you will just have to wait and see” attitude. It was very frustrating and really made me think about what the point is of working as it is very stressful.

I was recently told of a three-year overpayment for tax credits - £95 removed overpayment – but I’m unclear why. I told them immediately about all changes it is so confusing and unfair. I wish it was easier.

Family Support Workers in our Glasgow office detailed similar challenges faced by parents

Currently, they are supporting about ten parents migrating from Legacy Benefits to UC.



...we have had to provide information and support to ...parents that have received the "UC Migration Leaflet", which just details the changes that will come to everyone in the move over to UC. This itself has caused some confusion and even distress to some, as they think that they need to make that switch imminently, which is not the case and if they did this, they would lose their transitional protection.

OPFS Welfare Rights Officer

Key issues noted:

1. Financial Instability:

Single parents may face financial instability during the transition. Delays in processing claims or changes in payment schedules can impact their ability to meet immediate financial needs resulting in crisis.

2. Lack of Information and Support:

Insufficient information and support during the migration process can leave single parents feeling overwhelmed. Clear communication and accessible support services are crucial to assist parents navigating the changes, and increased demand risks further strain on support organisations and services.

3. Impact on Work-Life Balance:

Single parents often juggle work and family responsibilities. The complexities of the migration process, including the need for additional paperwork or verification, can disrupt their work-life balance.

4. Housing Insecurity:

Changes in housing benefit under universal credit may lead to housing insecurity for single parents. Rent arrears and potential eviction threats are serious concerns, impacting the stability of their living situations.

5. Childcare Costs:

Changes to benefits caused by the migration process may affect the financial support that single parents receive for childcare costs through the benefits system. The potential reduction in financial support for childcare can strain parent's budgets and limit their ability to sustain employment.

6. Digital Exclusion:

The Universal Credit application process relies heavily on online platforms. Single parents facing who only have mobiles and limited internet access may find it challenging to complete applications or updates, exacerbating their difficulties.

7. Administrative Hurdles:

Administrative complexities in the migration process can lead to errors, delays, or misunderstandings. Single parents may struggle to rectify these issues, leading to extended periods without adequate financial support.

8. Impact on Children:

Children in single-parent households may experience the effects of financial strain and housing insecurity. This can have broader implications for their well-being, education, and overall development.

9. Emotional Stress:

The uncertainty and potential financial hardships associated with the migration can lead to increased stress and mental health challenges for single parents, affecting their overall quality of life.

10. Inadequate Safeguards:

The absence of robust safeguards in the migration process can exacerbate vulnerabilities for single parents. Adequate measures should be in place to ensure their specific needs and concerns are addressed promptly.

Addressing the above concerns requires a comprehensive and compassionate approach involving,

- clear communication,
- streamlined processes,
- enhanced support services,
- and a commitment to minimising the negative impact of the managed migration to Universal Credit for single parents.

OPFS financial inclusion service provides an insight into parent's struggles with UC managed migration.

What are some of the biggest challenges of this process?

"From our work with single parents, we know that the 5-week waiting time for the payments to come through is extremely challenging for many parents. Parents are continually not having enough money and living in a constant cycle of apprehension on how they are going to survive. There is the opportunity to ask for an advanced payment but too many parents are living in fear of the prospect of moving onto universal credit and risk falling into debt. Parents are being asked to work too many hours which are not flexible enough to cover childcare responsibilities."

Is there a risk of significant financial loss by making this move?

“The move onto universal credit is often a big shock for parents, for example, they face a constant barrage of notifications from the Jobcentre to find work even if it is not suitable to their own personal circumstances or if it fits their skill level or not. Too often parents are left on zero-hour contracts with no security net to fall back on. Parents risk the harsh reality of, if they do not sign on for their benefits, then they run the risk of getting no money as a result and inevitable face punitive conditionality. It is a vicious cycle. This situation is even more challenging for parents in rural areas as the challenge of finding employment and having long term childcare cover is unworkable given limited access to services.”

Anything else to consider?

“Under universal credit rules many self-employed single parents may get zero entitlement but whilst they are still receiving tax credits, they are entitled to receive up to £16,000. Self-employed parents are particularly at risk as they have no safety net and there is way to predict their earnings. The job centre continues to panic and harass people.”

What are the biggest challenges of this process?

“Parents think that they need to apply as soon as they get the notice when they have up to three months to apply. They need to apply at the right time to avoid either overpayments or being left without funds because either their next payment of tax credits are just about to be paid or if they are working, they have a higher income for a particular month. Because UC works in real time, timing is everything.

When they move to UC parents will have a four-week assessment period, then their payment will be paid the following week. i.e. a 5-week period when they do not have any main benefit income. They may be entitled to a two-week ‘run on’ of some benefits and can apply for an advance payment.

The uncertainty of how they will provide for their families during the migration and the complexity of changing to monthly payments causes considerable stress and anxiety especially for those who already have existing mental health issues.”

In a DWP Report published on 14th November 2023 covering England, Scotland, and Wales, of 117,690 individuals who had been sent migration notices between July 2022 and August 2023, as of the date of publication only 61130 individuals had applied. Of those who had applied 39920 households had been awarded transitional protection.³

More worrying is the fact that a total of 16,020 individuals had their legacy benefit claims closed. While these statistics cover single adults and couples as the migration is increased over this year, we are already seeing single parents receiving migration notices and they will face the same challenges with the migration process.”

Is there a risk of significant financial loss by making this move?

“There is a risk of significant loss of benefit when they apply and changes that will result in the loss of transitional protecting.

An example of loss due to the timing of their application would be where a parent in receipt of tax credits who is working and gets a larger wage than normal or is paid twice in the same assessment period. They receive the Migration Notice, and they complete an application to Universal Credit as soon as because they think they must do this. Their Tax Credit award will stop, and their Universal Credit award will be reduced, or they will receive a nil award for their first payment. There are several reasons why Transitional Protection may stop.”

What circumstances can end transitional protection?

Significant changes to your circumstances will end your transitional protection.

The following are considered as significant changes:

- *a partner moving into your household.*
- *a different partner moving into your household.*
- *a partner leaving your household.*
- *your earnings drop below an agreed amount for 3 months in a row.*
- *your Universal Credit claim ends.*

³ UK Government, 2023. Completing the move to Universal Credit: statistics related to the move of households claiming tax credits and DWP benefits to Universal Credit: Date to end August 2023. [Available online.](#)

An example of significant loss would be where a parent who is working part-time moved to Universal Credit as part of the managed migration, the following 3 months, they earn extra wages because of doing overtime which they need to do to maintain their employment. Their wages take them over the Administrative Earnings Threshold. They will lose their transitional protection.

If someone has Transitional Protection, they do not receive any increase to their Universal Credit award for example being awarded LCWRA. The amount of Transitional Protection just decreases until their benefit entitlement matches those without the protection.

There is also a significant risk that claimants, especially those with disabilities, are either unable to cope with applying or are put off by the whole process for example, due to lack of digital skills, missing out on benefit when their existing legacy benefits are stopped. This would cause significant hardship to some of the most vulnerable claimants.

Any recommendations for change?

There should not be a five week wait to receive their first payment of UC and the transfer should be automated rather than through application. The DWP already have all the information on their system and therefore should be able to do an administrative process rather than the claimant having to apply.

If the aforementioned stats in the DWP report of November 23 statistics are carried through to the further roll out, there is the real possibility of single parents not making their claims or doing so out with the three-month time limit losing part or all of their main income. It is essential that every effort is made to maintain any existing legacy benefits until the migration to Universal Credit is achieved rather than stopping benefit after the application deadline is reached.⁴

Policy Actions

We call for the following policy actions from the UK and Scottish Governments to ensure that our parents are as safeguarded as much as possible from the fiscal disadvantage of managed migration.

⁴ Ibid

UK Government:

- Groups such as single parents going through the process of managed migration should be given as much notice as possible about the change to their benefits and payments to allow for greater planning and budgeting. As well to offset falling into debt.
- DWP and HMRC should provide clearer information on support available for families transitioning from legacy benefits onto universal credit with clear deadlines on when action will come into force.
- Universal Credit should be paid at a level to cover a family's basic essentials, so they do not need to rely on charity handouts.

Scottish Government:

- Should work with employers to encourage more flexible working arrangements, make jobs more secure, pay the real living wage and build more social housing and maximising the use of our existing housing stock.
- Maximise uptake of Best Start Grants, Best Start Food Grant, Disability Benefits, and the Scottish Child Payment to help off-set the financial loss from the move to Universal Credit.
- In the longer-term, aim to provide everyone in Scotland with a minimum acceptable standard of living - a Minimum Income Guarantee.

Conclusion

This impact report focuses on the experiences of single parent families at the beginning of 2024 with specific reference to their struggles with benefits and the process of managed migration to UC.

We believe that our social security system needs to treat people with dignity and respect and be based on trust. This is the standard we should also expect of the recent move to managed migration. The system needs to work in such a way that it does not take money away from people when they need it the most, that it supports them to cover all basic essentials and helps them find flexible and sustainable employment. It also needs to protect them during times of additional costs, for example, as a result of ill health. Essentially it needs to assist people through moments of change in their lives and not exacerbate an already precarious situation.



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Families Scotland**
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