From the Chair

1 November 2017

Rt Hon David Gauke MP
Secretary of State for Work and Pensions
Department for Work and Pensions
Caxton House
Tothill Street
London
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Dear David

Universal Credit data

In our recent report on Universal Credit (UC), we said that the Department was right to favour a “test and learn” approach to rolling out the programme. In our evidence session on 18 October, and in our correspondence that preceded it, I was however alarmed to learn how limited the data published, or even collected, by the Department were. A full and transparent ongoing evidence-based assessment of the consequences of UC is fundamental to its improvement. Unless the Department is testing, it cannot hope to learn.

Long waits for payment

As you know, in its report the Committee focused on the urgent need to reduce the standard six week waiting time for a first UC payment. We were, however, concerned that a significant minority of claimants were waiting far longer for any payment.

In your letter of 17 October you explained that, in September 2017, 19% did not receive their full UC award at the end of the standard wait. 11% did not receive any UC payment at all on time, with the difference between those numbers typically attributable to the late payment of the housing element.

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2 See our letters to the Secretary of State of 26 April, 12 September, 15 September, 2 October and 9 October; and the responses of 8 August and 17 October 2017 (and summary of data provided)

3 Letter from Secretary of State to the Chair, 17 October 2017
In correspondence, you were unable to provide any breakdown of the length of waits over six weeks. In oral evidence you said that “after 10 weeks 96% have been paid in full”.\(^4\) Neil Couling clarified, however, that:

> Before we can publish [those] statistics properly, we have to go through Office of National Statistics protocols and validate and so forth.\(^5\)

And:

> We do not collect the data to the extent that we could publish it right now. We have been developing this.\(^6\)

1. **At what stage of development are your data showing waits of over six weeks for first payment, disaggregated by length of wait?**
2. **When please did you start compiling long waits data for internal purposes?**
3. **What discussions have you had with the Office for National Statistics regarding the validation and publication of such data?**
4. **When do you plan to publish the statistics?**

### Characteristics of those waiting over six weeks and the reasons for long waits

In your letter of 17 October you stated:

> We do not have a breakdown of the characteristics of claimants who have waited over 6 weeks for a payment, although it is likely that it will be households with more complex circumstances, where more verification activity is required.\(^7\)

These “complex circumstances” presumably involve factors such as self-employment earnings and housing and childcare costs. You also stated:

> Our internal data shows that for those cases where full payment has not been made, around a sixth have not signed their Claimant Commitment or passed identity checks and the others have outstanding verification issues […]\(^8\)

Neil Couling told us in evidence that “in some cases it is something that has gone wrong in our administration or it may be that the claimant has misunderstood what is required of them”.\(^9\)

5. **Do you plan to (a) collect and (b) publish data on (i) the characteristics of households waiting for longer than the standard wait or (ii) the reasons for those long waits?**

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\(^4\) [Q100](#)
\(^5\) [Q101](#)
\(^6\) [Q102](#)
\(^7\) [Letter from Secretary of State to the Chair, 17 October 2017](#)
\(^8\) [Letter from Secretary of State to the Chair, 17 October 2017](#)
\(^9\) [Q96](#)
Local area payment timeliness data

I was surprised to read in your letter of 17 October that you do not have payment timeliness data by local area. I would have thought this would be central to identifying Jobcentres experiencing particular difficulties with the system. You state that you are "developing this information".10

6. When please will payment timeliness data by local area be (a) available for internal use and (b) published?

Payment timeliness as indicator of readiness for accelerated rollout

In your letter of 17 October you stated that payment timeliness was one of six key measures used to assess the Department’s readiness to expand the UC full service. You found payment timeliness was “operating within acceptable parameters”.11

7. What measure(s) of payment timeliness did you use and what was the minimum level of performance you would have deemed acceptable for the acceleration of the rollout to proceed?

Getting used to monthly payments

Neil Couling told us in the evidence session that “our evidence data shows that by the time of the third assessment period, people in England are used to—and indeed, Scotland—a monthly cycle of payments”.12

8. Could you please provide the Committee with the data that shows people getting used to the monthly cycle?

Advance payment statistics

Advance payments have become an increasingly important policy component of UC. It appears, however, that data compilation has not kept pace with this importance. Neil Couling told us “I do not think we are collecting the data. The effort has gone [into] trying to encourage the payment of the advances”.13

In your letter of 17 October you stated that your analysts were working on calculating advance payment values as a proportion of entitlements.14 This data is of course important in assessing the adequacy of an advance payment as a means of tiding claimants over during their wait for their first payment. You told us that you do not
collect data on the number of claimants who request advances, or the reasons why requests are rejected.\(^{15}\)

9. **What plans do you have to collect and publish more extensive statistics on advance payments?**

10. **How will you monitor the use of advance payments at local level, to ensure that Jobcentres are promoting them as instructed?**

The advance payment statistics published in September, and then updated in October 2017 cover the period from May 2016 to July 2017. The publication is marked as a "statistical ad hoc" and a "one off".\(^{16}\)

11. **When will updated figures on advance payments be published and what period will they cover?**

**The value of advance payments**

With regard to the 50% limit to the value of advance payments relative to the full estimated monthly UC award, you told the Committee:

I think […] that the 50% limit strikes the right balance between giving people help in that first period without diminishing what they would receive later on, but to be honest, I am more than happy to look at the evidence. If we are finding that 50% is insufficient and people are coping in months 3, 4, 5 and 6 very well, then I have no objection to looking again at that limit. But I think it is important to look at the evidence first […]\(^{17}\)

12. **What, please, was the original evidential basis for the 50% limit?**

13. **What data will you be collecting in order to inform you whether that limit is appropriate?**

14. **Have you performed any analysis of how accurate estimated monthly awards prior to the first payment, calculated for the purposes of making advance payments, turn out to be?**

**Landlord portal**

In your letter of 17 October you stated that you expect the landlord portal to account for "a significant majority of social rented sector tenancies (around 80%)."

15. **Over what period do you expect this expansion of use of the landlord portal to occur?**

16. **Will you publish regular statistics to track this?**

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\(^{15}\) Letter from Secretary of State to the Chair, 17 October 2017

\(^{16}\) DWP, Universal Credit Statistical Ad Hoc: Payment Advances, 2 October 2017

\(^{17}\) Q113; see also Q122-3
UC, the state pension and the under-occupancy penalty

In response to a recent PQ, the Department clarified that the under-occupancy penalty applies to mixed-age couples in which one partner is in receipt of the state pension and one is in receipt of UC.18

17. What estimates have you made of the number of households that will be affected by this policy?

With best wishes and I look forward to hearing from you,

Rt Hon Frank Field MP
Chair

18 Written question 106048