



Work and Pensions Committee

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From the Chair

14 December 2018

Peter Schofield
Permanent Secretary, Department for Work and Pensions
Caxton House
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Dear Peter

Universal Credit Data

In our evidence session on 17 October, the Committee asked you what steps the Department had taken to address the Office for Budget Responsibility's concerns that the monitoring and forecasting architecture for Universal Credit (UC) was "less than ideal". You told the Committee the Department was working more closely with the OBR and had improved the way in which it shares data. You said you would be "keen to see what [the OBR] thinks in light of the process that is now underway".

Following the session, I wrote to Robert Chote at the OBR to seek his views on whether the concerns the OBR had raised had been addressed to his satisfaction.

While his response acknowledged a "marked improvement", he nevertheless set out a number of remaining concerns about the lack of available data from the UC system.¹ These concerns strike me as extremely serious and deserving of urgent attention.

The OBR relies on data from the Department to estimate the cost of UC relative to legacy benefits. However, the issues highlighted in Robert Chote's letter also add to concerns this Committee, the National Audit Office and others have raised about the information the Department collects, extracts and makes publicly available. I am deeply concerned that the Department does not have to hand all of the information both itself and external organisations require to monitor the programme effectively, to

¹ Letter from Robert Chote to the Chair, 2 November 2018

understand whether the policy is working as expected and to take action where necessary. I would be grateful if you could respond to the questions which follow.

Extracting Universal Credit data

In his letter, Robert Chote highlighted difficulties the Department has in extracting data from the UC system and providing it to the OBR. He noted:

the Department has indicated there is much work to be done in both processing and understanding the data that are now flowing in from the UC administrative systems²

Specific examples he gave are included below:

- the OBR has been unable to model how families move on and off UC, or between the different groups and award elements because of a “lack of data”. Robert Chote stressed that, as the UC caseload continues to grow, the OBR will need to be able to do this analysis.
- the OBR’s approach to forecasting the cost of UC is becoming more challenging as more people move to UC, and the legacy system comparators are not available. It plans to move to a “full UC forecast model”, which would remove some of the problems it faces in the area, but the transition between the systems is dependent on “claimant characteristics that are not always observable in the data”. Robert Chote noted that the OBR is working with DWP to see if this will be feasible, and added “we are keen for the Department to make concrete steps towards this approach”.

The Department also referred to difficulties obtaining data from its systems in response to a request for data on debt repayment rates for claimants from the Committee. In his letter dated 23 June 2018, Alok Sharma told the Committee “We do not have robust data or information to respond to these questions separately”.³

1. Could you please provide the Committee with a note on the main areas of work to be done in terms of processing and understanding UC data, and your planned timetable for tackling these?

a) Why is there so much work still to be done on processing and understanding the data at this point in the programme?

2. Could you please provide a note on what steps you are taking towards providing the data the OBR requires for its “full UC forecast model” approach?

² Letter from Robert Chote to the Chair, 2 November 2018

³ [Letter from the Minister for Employment to Committee Chair, June 2018](#)

3. Are you planning to extract data on rates of debt repayments for UC claimants in debt? If so, when do you expect this to be available?

Lack of published data

In his letter, Robert Chote also highlighted the need for greater transparency in the data the Department publishes.

He noted a lack of information on the average amounts of UC paid per claim, specifically:

- The composition of UC awards in terms of the different elements claimants receive;
- the amounts payable for variable elements (such as housing costs); and
- the different types of income offsetting the maximum award.

He explained that this information is “critical” for the OBR to be able to forecast UC spending correctly. He noted, “where there are gaps in the data these need to be filled as a matter of priority” and added, “we would be extremely concerned were the experience of ESA to be repeated, where it has taken ten years to obtain key information on disability premia from the front-end IT”.

4. Does the Department have this data available internally? If so, would you commit to making this information available in statistical publications?

This Committee has also found published data on UC to lack transparency. For example, the Committee has previously asked the Department for data on payment timeliness — including the length of waits for people not paid on time and breakdowns by local area.⁴ Until last month, the Department had not published payment timeliness statistics since September 2017, in which it provided only national data for January to June 2017⁵ — aside from a one-off publication of payment timeliness data for February 2018, published in July 2018.⁶ The latest statistics still provide only a national picture of overall payment timeliness and include data up to August 2018.⁷

5. Is the Department now committed to publishing payment timeliness statistics as part of its monthly statistical releases?

⁴ [Letter from Chair to SOS, November 2017](#)

⁵ [Universal Credit Statistical Ad Hoc: Payment Timeliness, September 2017](#)

⁶ [Universal Credit Statistical Ad Hoc: Length of Payment Delays for New Claims to Universal Credit, July 2018](#)

⁷ [Universal Credit Statistics, 13 November 2018](#)

a) Will the Department also commit to publish data on i) payment timeliness by local area, and ii) the lengths of time people are waiting for payments?

Lack of key data collection

It is clear to the Committee that there is key data the Department simply does not collect. For example, the National Audit Office highlighted that the absence of vulnerability markers means “the Department lacks the ability to monitor the treatment of vulnerable claimants nationally”.⁸ This is astonishing given that one of UC’s main objectives is to provide a safety net for the vulnerable.

The Committee has raised concerns about the effectiveness of the Department’s planned approach to identifying vulnerable people using information work coaches can pin to a claimant’s journal.⁹ We find it bewildering that the Department is still in the early stages of developing a technique to allow it to identify vulnerable claimants, given that the rollout of full service is due to complete at the end of this month.

The Department has also failed to collect key data on advances, which are now a key policy component of UC. When the Committee asked the then SoS for data on the number of claimants who request advances and the reasons why requests are rejected, he told the Committee that this data was not collected.¹⁰

6. Could you please provide the Committee with a note on how you are currently monitoring vulnerable claimants’ experience of UC, and what plans you have to improve this?

7. Could you explain why the collection of data on vulnerable claimants was not considered to be a necessary requirement when designing UC?

8. Could you please explain what work the Department did to identify the data it would need, and the data the OBR would need, to monitor the programme effectively before the roll-out of full service began?

I would be grateful if you could respond to the points above by 20 December.

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

⁸ [National Audit Office: Rolling out Universal Credit, June 2018](#)

⁹ [Work and Pensions Committee, Benefit Sanctions, Nineteenth Report of Session 2017-19, 31 October 2018](#)

¹⁰ [Letter from Secretary of State to the Chair, 17 October 2017](#)

A handwritten signature in black ink, appearing to read 'Frank Field', written in a cursive style.

Rt Hon Frank Field MP
Chair