



# National Audit Office

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## Helping the nation spend wisely

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*Dear Frank,*

## PREPARATIONS FOR MANAGED MIGRATION

Thank you for your letter of 10 October asking about the preparations and assessment of readiness that I recommended DWP make before it begins Managed Migration. I made four recommendations on Universal Credit, three of which relate to improving the information the department uses to manage the programme:

- That it assess the readiness of its automation and digital systems before managed migration, so that its operational performance can cope with higher caseloads.
- That it improve its tracking and transparency of progress towards Universal Credit's intended benefits.
- That it work with its delivery partners to understand how Universal Credit is working in practice for claimants.

The first recommendation above was largely motivated by our findings that 1 in 5 claimants receive at least part of their payment late and the deferral of automation which would make the efficient processing of higher caseloads possible. Although it is the only one to explicitly refer to managed migration, the other two also focus on information the department will need to judge the readiness, pace and success of managed migration, as well as the general pace and progress of the programme as a whole.

The Department for Work and Pensions told us at the time they cleared the report that they accepted all four of our recommendations. They have recently reconfirmed this, but we have not yet formally reviewed what progress they are making against each of the recommendations.

The Department expects to migrate some 2.87 million people from existing benefits onto Universal Credit, representing a third of those that will eventually be on Universal Credit. It is not appropriate for me to suggest explicit tests that DWP must meet before it is ready to begin managed migration. It should be a balanced judgement based on the evidence, taking account of the impact migration will have on its own operational performance, costs, and the impact on claimants and third parties. Our report made clear that DWP does not yet have all the necessary measures that it needs. Nonetheless, whatever criteria it uses to make the judgement, I suspect that it will build on some of the metrics already available and the criteria that we used to judge value for money in our report. I set these out in an annex to this letter.

**AMYAS C E MORSE**



## Annex

### Examples of data used in our report pertinent to readiness for managed migration

Area	Metric	Data used/expected	Commentary
Departmental performance	Payment timeliness	<ul style="list-style-type: none"> <li>Number of people being paid in full and in time</li> <li>Number of people being paid in part on time</li> <li>Length of delay before people being paid in full and on time</li> </ul>	Payment timeliness is particularly sensitive to the caseload. We reported that the number of people being paid in full and on time increased from 55% to 81% over the course of 2017, but was not expected to increase significantly further in 2018.
	Work coach and case manager performance	<ul style="list-style-type: none"> <li>Work coach and case manager case load</li> <li>Number of outstanding actions</li> <li>Number of claimants holding the expected number of meetings with work coach</li> </ul>	Work coach case load is due to rise from 85 at the time we did our report to 373 by 2024. This will affect how much time work coaches have with each claimant, particularly those in the intensive work category, who should be meeting with the work coach regularly. The number of outstanding actions on the system is an indicator of whether the work coach and case manager are on top of processing claims.
Cost	Cost per claim	<ul style="list-style-type: none"> <li>Cost per claim</li> </ul>	This was £699 at the time we reported. DWP's business case sets out the expectation it will fall to £173. It will reduce as the caseload increases, but for this to happen sustainably requires greater automation.
Impact on claimant	Customer satisfaction	<ul style="list-style-type: none"> <li>Satisfaction surveys</li> <li>Transaction level customer satisfaction scores</li> </ul>	The department found similar levels of claimant satisfaction with Universal Credit as for other benefits.
	Financial duress	<ul style="list-style-type: none"> <li>Foodbank referrals</li> <li>% in financial hardship</li> <li>% in bill or rent arrears</li> <li>% accepting an advance</li> <li>% able to repay the advance within 12 months</li> <li>Number of Alternative Payment Arrangements</li> </ul>	At the time of our report, the department did not measure the number of claimants experiencing financial difficulties whilst on Universal Credit and did not have means of gathering systematic evidence from its delivery partners on claimant experience. We recommended that it attempt to do so.
	Vulnerable claimants	<ul style="list-style-type: none"> <li>Number of claimants that are vulnerable</li> <li>Amount of additional support provided</li> <li>Use of Universal Support</li> </ul>	The department has found it difficult to identify and track those who it deems vulnerable.
Impact on third parties	Financial impact on third parties	<ul style="list-style-type: none"> <li>Additional costs for third parties created by Universal Credit</li> </ul>	The department had not measured the additional costs of Universal Credit for its delivery partners in local government and the third sector.

#### NOTES

1. This is not an exhaustive list

Source: National Audit Office, Rolling out Universal Credit, 15 June 2018, HC 1123 Session 2017-2019