



17 October 2017

Frank Field MP
House of Commons

Dear Frank

Thank you for your letters dated 12 September, 15 September and 9 October 2017.

I have responded to each of your questions below in turn and have provided links to the data to help inform the answers.

Payment timeliness

Although there were issues earlier in the roll-out, the recent data on payment timeliness are positive and show a sustained level of improvement. I am pleased that this was maintained as we increased roll out to 29 sites in July.

On 2 October, the department published a set of ad-hoc statistics to provide the most up to date information on payment timeliness. It can be found here: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/648800/universal-credit-payment-timeliness-statistical-ad-hoc.pdf

This data showed that in September 2017 81% of claimants were paid in full on time at the end of the first assessment period. 89% receiving some payment at the end of the first assessment period (usually their core personal payment).

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, e.g. housing, self-employed earnings and child-care costs.

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.

Neither do we have payment timeliness data broken down by geography, but we are developing this information.

We do not have published data on the number or proportion of UC full service claims that were paid later than the first payment due date.

We know, from internal research, that the housing costs determination is often complex and can be paid, in some cases, after the rest of the UC allowance, much as in the legacy system now, where core JSA entitlements are often paid well before Housing Benefits or Tax Credits claims are finalised. Getting the primacy attached to getting the claims right, rather than at speed has been a feature of the Social Security System since 1998 when you, as Welfare Reform Minister, introduced the change. This is an important principle and one we will look to the Committee for support to maintain.

I hope the Committee will agree that we cannot pay those cases in full (or in instances where identity has not been verified - in part) without risk to fraud and error creeping into the system. This was a mistake made on the introduction of Tax Credits in 2003 and colleagues in HMRC are still trying to deal with the consequences of that.

We do have a statistical consultation out at the moment seeking views on plans to expand the range of Universal Credit statistics. This consultation closes 24 October and can be found at: <https://www.gov.uk/government/consultations/universal-credit-experimental-statistics-future-developments>

There are enhancements still to come which will further improve performance. Most recently we introduced a new feature that allows claimants to provide their monthly self-employment earnings on line, backed up by a series of reminders by text and in their journal to do so.

Advances

I understand the concerns that have been raised that, when people first claim, they have to wait before they receive money. However, those who need it are not left without support. Advance payments are available and are paid within days. And if someone is in immediate need, then we will fast track the payment, so they will receive it on the same day. The claimant entitlement is adjusted over the next six months to take this into account, in exceptional circumstances this can be deferred for up to three months. I would like to highlight that previous evidence given to the committee stated that claimants have just three months over which the benefit entitlement is adjusted, this is incorrect.

On 2 October, the department published a set of ad-hoc statistics to provide the most up to date information on advances. It can be found here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/648831/universal-credit-payment-advances-statistical-ad-hoc.pdf

This data showed that in July just over half of new claims to Universal Credit Full Service received an advance. We do not hold data on the proportion of claimants who applied for advances.

We do not have published statistics on the reasons why advances are rejected, but the most likely reason would be that following the discussion with the claimant regarding their 'financial need', an advance payment was not considered appropriate.

In my Conference Speech I announced that I was updating the guidance to ensure to ensure that anyone who needs an advance payment will be offered it up-front. I have attached a copy of the updated guidance for your reference. You will see that it says:

Claimants should be made aware that advances are available to them if they are in financial need. To establish if the claimant has a financial need and requires an advance they should then be asked if they have enough money to live on until the first payment of Universal Credit is due. This might be money from savings, earnings, redundancy payments or support from the claimant or partner's parents, family or friends. If the answer is no, then a claimant should be offered an advance.

The latest statistics demonstrate that there is good awareness of advances, but I recognise there is more to do. Posters are being shared with Universal Credit Full Service Jobcentres and the Communications team are preparing messages to be shared on social media. I am aware of the key role that voluntary organisations play here too, I will be writing to each local Citizens Advice in areas where Universal Credit Full Service is rolling out so that they can make claimants aware of advances if they use their support services. Last week I met with Gillian Guy and asked for her support to see how things are landing on the ground and what more can be done. I hope to see the level of advances increase over the next few months, but there will be a lag in seeing this come through in the data.

Also, in the statistics of 2 October 2017, the department published the value of advances paid in Universal Credit Full Service in July 2017. The most frequently paid value of a UC advance to UC Full Service was between £150 and £200. My analysts are working on calculating this as proportion of the claimants entitlement and I hope to be able to share this with you in due course.

Alternative Payment Arrangements and the Landlord Portal

As you know, alternative payments arrangements can be set up to allow claimants to have their rent paid directly to their landlord, to have their payment made more frequently or have split payments amongst family members.

Our latest data shows that in June 2017 34% of Universal Credit (Live and Full Service) households in the Social Rented Sector had housing costs paid directly to the landlord, compared to 6% in the Private Rented Sector.

You will be aware that the Minister for Employment wrote to you on 21 September setting out our plans for deploying the landlord portal. The landlord portal will allow us to improve our rent verification rates and allow landlords to request a 'managed payment to landlord'. In line with the expansion of the UC Full Service, we will begin by supporting the largest social sector landlords to enrol and engage with the portal. We expect this to account for a significant majority of social rented sector tenancies (around 80%). We will also look to expand the portal further to social sector landlords and retrofit it to those social sector landlords already working with the UC Full Service.

Whilst Councillor Colley was right, that the early version was a 'minimum viable product', we have been testing a prototype in Southwark and with Curo. Using the feedback received from this testing, we have been able to modify the portal and it is this version that we are rolling out. Early indications are encouraging. We have had some positive feedback from landlords who tell us that they feel the landlord portal works well and provides them with a much quicker process for staff to respond to requests, providing a simpler, faster and much better process for communicating than the e-mail route.

Landlords will be contacted by a DWP Account Manager to invite and support them to enrol on to the landlord portal, usually four weeks in advance of their enrolment date. We will continue to do this in a managed way, testing the portal as more landlords take up the opportunity to use this service. There isn't a roll-out schedule as landlords will not be mandated to enrol on to the Landlord Portal. However, we expect that most will accept the invitation to enrol which will also provide them with Trusted Partner status.

Support for private sector landlords

Our latest data show that in June 2017, 55% of households receiving a payment of Universal Credit (Full and Live Service) with support for housing were in the Social Rented Sector, compared to 45% in the Private Rented Sector.

Verification of rents in the Private Rented Sector have been consistently over 80%, partly because tenants have a much clearer idea of their rent than in the social rented sector. (The Committee will be aware that rent has not been paid direct to landlords in the PRS, except in cases of arrears, since 2008).

We are in regular contact with organisations representing private landlords and have, in discussion with them, improved the 'Alternative Payment Arrangements' (APA) and other aspects of how UC operates. At a local level, as Universal Credit is rolled out in an area our Partnership Managers work with local landlords, both private and social sector to help prepare them for the changes it will bring. We are currently looking at how we can improve our on-line communications with private landlords, and allow them to share information more quickly with us.

Telephone enquiry lines

Universal Credit Full Service provides customers with an online account, online statement and journal for interacting with their dedicated Case Manager and Work Coach, and we will continue to invest to make more functionality available online.

By managing their claim online, including reporting changes of circumstances and checking the details and date of their next Universal Credit payment, it is easier for customers to access the service in a way, and at a time, that suits them. However, the enquiry line is available should claimants need to call the department.

Our internal data shows a huge improvement in performance of our Universal Credit Full Service call centres. Fewer claimants are calling and calls are being answered faster, on average in just over 5 minutes in September.

Claimant feedback on Universal Credit

There high levels of customer satisfaction with Universal Credit Live Service – 82% according to the most recent survey. We aim to include a satisfaction score for Universal Credit Full Service in 2017/2018 data.

With regards to complaints, our data shows that UC Full Service complaints are less than 1% of the Universal Credit Full Service caseload, and rises marginally in line with the UC caseload as it increases. For a new system, still bedding in, this is a remarkably low proportion of complaints to be getting and does not fit at all with the picture being painted by some of the witnesses to the inquiry.

Roll out governance

Since becoming Secretary of State I have reviewed the performance of the Universal Credit delivery programme. The most recent decision to continue planned roll out was

subject to extensive scrutiny; from within my Department, from the Cabinet Office Implementation Unit and a full-blown independent review under the auspices of the Infrastructure and Projects Authority. All three concluded that it was safe to proceed.

Best practice for all major Programmes is to have a rigorous process in place to make major decisions. This is the case for Universal Credit. In determining the readiness of the UC Programme and UC operations to expand the UC Full Service to additional sites from October, we needed to answer the following questions:

- can the IT cope with the additional claimant volumes?
- will there be enough staff in place and fully trained to manage the work?
- will claimants receive an acceptable level of customer service?

To aid in that assessment we established six key measures - payment timeliness, system response times, staff recruitment and capability, system availability, fraud and error, and unit costs. On all these measures, with the exception of unit costs, we determined that Universal Credit was operating within acceptable parameters. Unit costs tracked above target because the Department took a decision to add in extra funding to increase the robustness of operational delivery in the short term and during the key expansion phase.

Progress against these measures was reviewed by the UC Programme Board in determining whether to continue to expand.

We will continue to evaluate progress as we roll out in a careful and co-ordinated way, reviewing against key measures, to ensure safe and secure delivery.

I hope that you find this response helpful and provides clarity on the points raised.

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

The Rt Hon David Gauke MP
SECRETARY OF STATE FOR WORK AND PENSIONS