House of Commons

Committee of Public Accounts

Universal Credit: progress update

Nineteenth Report of Session 2015–16

HC 601

House of Commons

Committee of Public Accounts

Universal Credit: progress update

Nineteenth Report of Session 2015–16

Report, together with formal minutes relating to the report

Ordered by the House of Commons to be printed 25 January 2016

HC 601
Published on 3 February 2016
by authority of the House of Commons
London: The Stationery Office Limited
£0.00

The Committee of Public Accounts

The Committee of Public Accounts is appointed by the House of Commons to examine "the accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the committee may think fit" (Standing Order No. 148).

Current membership

Meg Hillier (*Labour (Co-op), Hackney South and Shoreditch*) (Chair)

Mr Richard Bacon (*Conservative, South Norfolk*)

Harriett Baldwin (*Conservative, West Worcestershire*)

Deidre Brock (*Scottish National Party, Edinburgh North and Leith*)

Chris Evans (*Labour (Co-op), Islwyn*)

Rt Hon Caroline Flint (*Labour, Don Valley*)

Kevin Foster (*Conservative, Torbay*)

Mr Stewart Jackson (*Conservative, Peterborough*)

Nigel Mills (*Conservative, Amber Valley*)

David Mowat (*Conservative, Warrington South*)

Stephen Phillips (*Conservative, Sleaford and North Hykeham*)

Bridget Phillipson (*Labour, Houghton and Sunderland South*)

John Pugh (*Liberal Democrat, Southport*)

Karin Smyth (*Labour, Bristol South*)

Mrs Anne-Marie Trevelyan (*Conservative, Berwick-upon-Tweed*)

Powers

Powers of the Committee of Public Accounts are set out in House of Commons Standing Orders, principally in SO No. 148. These are available on the Internet via www.parliament.uk.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/pac and by The Stationery Office by Order of the House.

Evidence relating to this report is published on the inquiry page of the Committee's website.

Committee staff

The current staff of the Committee are Stephen McGinness (Clerk), Dr Mark Ewbank (Second Clerk), George James (Senior Committee Assistant), Sue Alexander and Ruby Radley (Committee Assistants) and Tim Bowden (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Committee of Public Accounts, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 4099; the Committee's email address is pubaccom@parliament.uk

Contents

Summary

We acknowledge that Universal Credit has stabilised and made progress since the previous Committee of Public Accounts first reported on the programme in 2013. However, there remains a long way to go. Implementation of Universal Credit so far has focussed mainly on the simplest cases and the Department for Work & Pensions has again delayed the programme. The completion date for the roll-out of its new digital service is six months later compared to when we looked at the programme only a year ago, and the Department now expects that Universal Credit will be fully operational in March 2021. The Office for Budget Responsibility forecasts that there will be a further six-month delay beyond the Department's latest planned end-date. We remain disappointed by the persistent lack of clarity and evasive responses by the Department to our inquiries, particularly about the extent and impact of delays. The Department's response to the previous Committee's recommendations in the February 2015 report *Universal Credit: progress update* do not convince us that it is committed to improving transparency about the programme's progress.

Introduction

In February 2015 the previous Committee of Public Accounts published *Universal Credit: progress update*, based on evidence from the Department for Work & Pensions (the Department) and HM Treasury, and a report by the Comptroller and Auditor General. The Department accepted the Committee's recommendations. However, we felt that the Department's responses were rather weak and lacked specifics, and we were not convinced that it is committed to ensuring there is real clarity on this important programme's progress. As a result, we recalled both the Department and HM Treasury to discuss a number of issues that concerned us, particularly around the business case, the continuing risks of delay, and the lack of transparency and clear milestones.

Conclusions and recommendations

1. **The Universal Credit business case has not been updated to take account of the significant changes to tax credits made in the recent Spending Review and Autumn Statement.** A week before our evidence session HM Treasury approved the programme's outline business case and agreed further spending on Universal Credit up to the end of 2017. However, we were surprised that the latest business case does not account for major changes in tax credits announced in the *Spending Review and Autumn Statement 2015*. The Department and HM Treasury claimed that the Autumn Statement changes would make no major difference to the programme's business case, which forecasts that Universal Credit will deliver total net benefits of £20 billion up to 2024–25, and around £6.7 billion annually when it is fully rolled-out and operating in a steady state. HM Treasury acknowledged that the cost of transitional protection for people currently claiming tax credits would increase by up to £150 million each year following the Autumn Statement. When asked, the Department could not clearly explain who would be covered by the transitional protection arrangements.

   Recommendation: ***By May 2016 the Department should publish—and the NAO review—a clear explanation of how the Universal Credit business case has changed since we last reported on the programme, including the effects of the Autumn Statement and transitional protection. The Department should also set out clearly for claimants what the rules around transitional protection will be.***

2. **Universal Credit has been further delayed, which postpones its expected benefits.** The Department now expects to complete the roll-out of the digital service six months later than previously planned, and has pushed back the end date for moving all claimants onto Universal Credit to March 2021. The Office for Budget Responsibility also forecasts a further six month delay to the full implementation of Universal Credit. We welcome HM Treasury's commitment to review progress regularly between now and its consideration of the Universal Credit's full business case in September 2017. However, the Department should endeavour to minimise any delays, as it estimated in 2014 that every six month delay reduces the programme's benefits by £2.3 billion. The Department should ensure that it has a strong emphasis on realising the benefits of the programme. It told us that the senior responsible owner had overall responsibility for ensuring that the programme's forecast benefits materialise but did not explain how this would be done in practice.

   Recommendation: ***The Department should set out clearly how it is tracking the costs of continuing delays, and who is responsible for ensuring benefits are maximised.***

3. **The programme's lack of clear and specific milestones creates uncertainty for claimants, advisers, and local authorities, and makes it difficult for Parliament and taxpayers to hold the Department to account.** The Department does not publish accessible information about plans and milestones and we are concerned by the lack of detail in the public domain about its expected progress. For proper accountability, this information should be published so that the Committee, the National Audit Office and the general public can be clear about progress. The Department told us it was on track to meet 4 of its 5 public milestones on Universal

Credit, only slipping on the end date for rolling out the digital service. However, the Department did not acknowledge that the slower roll-out affects two other milestones, because it delays the date when existing claimants start to be moved onto Universal Credit and reduces the number of Universal Credit claimants at the end of 2019. The flexible adaptation of milestones to circumstances is sensible, but the Department should be open about when this occurs and what the effects are. Instead, the Department's continued lack of transparency makes it very difficult for us and the public to understand precisely how its plans are shifting. Claimants need to know more than just their benefits will change 'soon'; local authorities need time to prepare additional support; and advisers need to be able to help people that come to them with concerns. Universal Credit will be rolled out in over one hundred local authority areas during 2016–17.

Recommendation: ***By May 2016, the Department should set out and report publicly against a wider set of clearly stated milestones, based on ones it currently uses as internal measures, including plans for different claimant groups, local authority areas and for the development and use of new systems. We have set out the areas we expect these milestones to cover in an appendix to this report.***

4. **The Department's contingency plan for problems with the digital service is to delay the programme further, which may increase costs.** If problems arise, the Department will adjust how fast and how far it rolls out the digital service. This would prolong the use of the costlier live service systems beyond the current planned closure date of October 2018 and delay the realisation of the benefits Universal Credit is expected to deliver. HM Treasury has asked the Department for contingencies if there are delays with systems which Universal Credit depends upon, such as the GOV.UK Verify service. Given the problems we recently heard about regarding the Common Agricultural Policy Delivery programme's use of GOV.UK Verify, it is reassuring to hear that these risks are being considered.

Recommendation: ***By May 2016, the Department should publicly set out the main risks to the programme, its proposed contingencies and an assessment of the impact of these on costs and services to claimants.***

5. **The Department has an extensive evaluation programme but the impacts on claimants remain very uncertain.** Recent evaluation findings are encouraging, even though the scope is still quite narrow both in terms of claimant types (mainly single people with straightforward circumstances) and geographic coverage (the first ten areas where Universal Credit was piloted). It is important that the Department clearly acknowledges these limitations when highlighting the evaluation's findings. We were disappointed that the Department claimed that people on Universal Credit are 7% to 8% more likely to be in work than those claiming Jobseeker's Allowance, given that its own statistics show that people with straightforward circumstances claiming Universal Credit are only between 3% and 6% more likely to be employed at any given point. And the Department's evaluation of people with more complex circumstances found that similar proportions of those claiming Universal Credit and Jobseeker's Allowance were in work (41% and 40% respectively). On the other hand, we do welcome the Department's openness in acknowledging the extent to which it expects to use alternative payment arrangements for people struggling to manage rent payments after the Department removes direct payments to landlords.

Recommendations: ***The Department should explain clearly how actual employment impacts and rates of alternative payment arrangements compare with the expectations set out in its recently approved outline business case.***

As Universal Credit rolls out to a wider range of people and locations, the Department should significantly broaden the base of its evaluations and regularly update its assessment of the programme's costs and benefits to take account of this.

1 Developing the business case

1. In February 2015 the previous Committee of Public Accounts published *Universal Credit: progress update*, based on evidence from the Department for Work & Pensions (the Department) and HM Treasury and a report by the Comptroller and Auditor General.[1] The Department accepted the Committee's recommendations.[2] However, we felt that the Department's responses were weak and lacked specifics, and that it was unwilling to take any further action in relation to our predecessor's report. As a result, we recalled both the Department and HM Treasury to discuss a number of issues that concerned us, particularly around the business case, the continuing risks of delay, and the lack of transparency and clear milestones.[3]

2. HM Treasury told us that the week before our evidence session the Chief Secretary to the Treasury had signed off the programme's outline business case.[4] HM Treasury explained that this approval was based on project reviews by the Major Projects Authority, the Department now having an end-to-end process agreed for Universal Credit and there being full cost-benefit analysis in the outline business case.[5] HM Treasury had not publicly announced the sign-off until our evidence session and it accepted that an announcement could have been made earlier.[6] HM Treasury said it had now agreed to fund Universal Credit up to the end of 2017 and that funding thereafter would be based on the Department submitting a full business case in September 2017.[7]

3. The Department told us that Universal Credit will deliver total net benefits of £20 billion up to 2024–25 and around £6.7 billion annually when it is fully rolled-out.[8] However, the outline business case does not take account of major changes in tax credits announced on 25 November in the *Spending Review and Autumn Statement 2015*.[9] The Department and HM Treasury said that the Autumn Statement changes would not alter the steady-state case for Universal Credit, which remains exactly the same.[10] The steady state case includes impacts on employment, fraud and error, and administrative costs.[11]

4. HM Treasury stated that the tax credit changes announced in the Autumn Statement would increase the cost of transitional protection for people currently claiming tax credits by about £150 million by 2020–21.[12] The Department said that the outline business case had been written based on the steady state position, once all transitional protection had been washed out of the system.[13] The Department could not clearly explain who would be covered by the transitional protection arrangements.[14]

1 Committee of Public Accounts, *Universal Credit: progress update*, Forty-second Report of Session 2014-15, HC 810, February 2015; C&AG's Report, *Universal Credit: progress update*, Session 2014-15, HC 786, November 2014.
2 HM Treasury, Treasury Minutes: *Government responses on the Thirtieth, the Thirty Fifth, the Thirty Seventh, and the Forty First to the Fifty Third reports from the Committee of Public Accounts: Session 2014-15*, Cm 9091, July 2015
3 Q 1
4 Q 10
5 Qq 10, 18–20
6 Qq 15–16
7 Qq 32, 36
8 Department for Work & Pensions, Memorandum to Public Accounts Committee: Universal Credit Update—7 December 2015, paragraph 12
9 Qq 21–22
10 Q 23
11 Q 24
12 Qq 25, 27
13 Q 26
14 Qq 28–29

5. The contingency plan for Universal Credit, if problems arise with the digital service, is to adjust how fast and how far the service is rolled out.[15] If this was applied, it would both delay the realisation of the benefits Universal Credit is expected to deliver and prolong the use of the costlier live service systems beyond the current planned closure date of October 2018.[16] In 2014 the Comptroller and Auditor General reported that the automation provided by the digital service will save the Department around £610 million more a year in staff costs than if it were to roll-out using unenhanced live service systems.[17]

6. HM Treasury told us it has asked the Department to have contingencies around key systems which the successful delivery of Universal Credit depends upon. For example, the Department plans to use the GOV.UK Verify service to confirm the identity of people using Universal Credit online. HM Treasury explained that if a fully operational GOV.UK Verify service is in any way late, the Department would need to have alternative arrangements in place.[18] The need for such precautions is illustrated by the experience of the Common Agricultural Policy Delivery Programme. That programme had to revert to previous customer registration processes, supported by drop-in centres and a telephone helpline, because GOV.UK Verify did not work as the Department for Environment, Food & Rural Affairs expected.[19]

15 Qq 5, 31
16 Qq 31, 80
17 C&AG's Report, paragraph 2.10
18 Q 31
19 Committee of Public Accounts, Oral evidence: Early review of DEFRA's Common Agricultural Policy Delivery Programme, HC 642, 9 December 2015, Qq 11, 46; C&AG's Report, *Early review of the Common Agricultural Policy Delivery Programme*, Session 2015-16, HC 606, December 2015, paragraph 8

2 Monitoring progress

7. The Department now expects to complete the roll-out of the digital service six months later than previously planned. This is because it will start by rolling out the digital service to five Jobcentre Plus offices a month, and only increase this to 50 offices a month when it is confident the system can cope with the higher volume.[20] The end date for migrating all claimants onto Universal Credit is now March 2021.[21] The Office for Budget Responsibility, however, forecasts a further six month delay to the managed migration phase of Universal Credit rollout.[22] In 2014 the Department estimated that every six month delay reduces the programme's benefits by £2.3 billion.[23]

8. HM Treasury told us that it would review progress regularly between now and when it considers Universal Credit's full business case in September 2017. For example, we heard that teams from HM Treasury and the Department meet fortnightly and that there will almost certainly be another Major Projects Authority review of Universal Credit before HM Treasury considers the full business case.[24]

9. The Department explained that the senior responsible owner for Universal Credit was responsible for delivering the programme's annual benefits of £6.7 billion forecast in the outline business case.[25] The Department said that it had a team of 26 analysts monitoring and reporting on the realisation of the business case benefits. However, it could not explain what arrangements were in place to ensure that the benefits were delivered in practice.[26]

10. The Department told us that when it gave evidence to the previous Committee in December 2014 it had five milestones in the public domain for delivering Universal Credit. These were to: finish rolling-out live service nationwide by the end of 2015–16; start rolling out the digital service in May 2016; complete the roll-out of digital service in 18 months; start managed migration in 2018; and finish the bulk of managed migration near the end of 2019.[27] The Department told us that four of these milestones have not changed.[28] The one it acknowledged has altered is the roll-out of digital service, which will take six months longer because it will start more slowly.[29]

11. We believe that the milestones at the time of the December 2014 evidence session were more specific than those now outlined by the Department. We have set out our understanding of the milestones as they stood in December 2014 in **Table 1**, against which we compare what the Department has told us now.[30] This shows that the situation is not as clear-cut as the Department suggested in its evidence to us, and that there may have been shifts in later milestones.

20 Qq 2–5
21 Q 75; Memorandum, paragraph 5
22 Office for Budget Responsibility, *Economic and fiscal outlook*, CM 9153, November 2015, paragraph 4.96
23 C&AG's Report, *Universal Credit: progress update*, Session 2014-15, HC 786, November 2014, paragraph 2.17.
24 Q 33
25 Qq 39, 45
26 Qq 38–46
27 Q 2
28 Q 1
29 Qq 2–8
30 Our understanding of the milestones is based on C&AG's November 2014 report, Figure 4

Table 1: Changes in Universal Credit plans since December 2014

Milestones set out in the C&AG's November 2014 report	Milestone from the Department's memorandum and oral evidence[31]	Change
Complete nationwide roll-out of live service by April 2016	Complete nationwide roll-out of live service by April 2016	No change
Begin nationwide roll-out of digital service in May 2016	Begin nationwide roll-out of digital service in May 2016	No change
Complete nationwide roll-out of digital service in December 2017	Complete nationwide roll-out of digital service in June 2018	6 month delay
Begin managed migration of Jobseeker's Allowance, Housing Benefit and Income Support claimants in January 2018	Begin managed migration of Jobseeker's Allowance, Housing Benefit and Income Support claimants 'in 2018'	Unclear if this has changed; recent statements are non-specific[32]
Complete managed migration of Jobseeker's Allowance, Housing Benefit and Income Support claimants in December 2019, with no fixed plans for the remaining 555,000 tax credits and employment and support allowance claimants	The 'bulk' of migration will be complete by 2019, but plans also bring an additional 800,000 tax credits and employment and support allowance claimants by 2020–21.	Unclear how this has changed. 'Bulk' is not defined, and it is not clear whether migration times have changed for different benefit types.

Source: C&AG's Report, Figure 4, and evidence from the Department for Work & Pensions

31 Memorandum, paragraphs 1-5

32 The Secretary of State for Work & Pensions has since announced that the managed migration of existing claimants will begin after the completion of digital service roll-out in June 2018. On 10 December 2015, he said: 'The full Universal Credit service will be rolled out nationally for all types of claimants from May 2016, completing in June 2018. At this point we will start to move the people receiving legacy benefits to Universal Credit. This carefully managed process will finish by early 2021'. HCWS377

3 The impact on stakeholders

12. The Department told us that Universal Credit's digital service will be rolled out in over one hundred local authority areas during 2016–17, and across all 381 local authorities by June 2018.[33] However, the Department confirmed that it had not yet shared its digital service roll-out plans with local authorities or other delivery partners.[34] The Department said it was in discussion with those local authorities where digital service roll-out is likely to occur during 2016–17 and that it had promised to inform those affected of its plans in early 2016.[35] The Department agreed that this means in some cases local authorities will have less than six months to prepare.[36] The lack of specific and timely plans for digital service roll-out, and only being able to say instead that roll-out will happen 'soon', not only affects local authorities; it also creates uncertainty for claimants and those whom they turn to for advice.[37]

13. The Department has an extensive evaluation programme. Recent evaluation findings are encouraging regarding the labour market impacts of Universal Credit, even though the scope of the evaluation is still quite narrow both in terms of claimant types (generally single people with straightforward circumstances) and geographic coverage (the first ten areas where Universal Credit was piloted).[38]

14. The Department was selective or even inaccurate when highlighting the findings of its evaluation to us. For example, it asserted in both its memorandum and in the evidence session itself that at any point following a claim, people on Universal Credit are 7% to 8% more likely to be in work than comparators who had claimed Jobseeker's Allowance.[39] The 7% to 8% is in fact a cumulative measure of the employment impact. The Department's statistics, summarised in **Table 2**, do show that people with straightforward circumstances claiming Universal Credit are more likely to be employed at any given point but only by between 3% and 6%.[40] For claimants with more complex circumstances, the Department's evaluation shows that similar proportions of Universal Credit and Jobseeker's Allowance claimants were in work (41% and 40% respectively).[41] The Department also told us that Universal Credit claimants spend 10 hours more per week looking for work than people claiming Jobseeker's Allowance but omitted to mention that this did not result in them making more job applications (18 per week for Universal Credit claimants, compared to 19 per week for people claiming Jobseeker's Allowance).[42]

33 Qq 73, 76
34 Q 69
35 Qq 64, 68
36 Q 67
37 Q 64
38 Department for Work & Pensions, *Estimating the Early Labour Market Impacts of Universal Credit: updated analysis*, December 2015; Department for Work & Pensions, *Universal Credit Extended Gateway Evaluation: findings from research with Extended Gateway claimants*, December 2015
39 Q 38; Memorandum, paragraph 15
40 Q 48; *Estimating the Early Labour Market Impacts of Universal Credit*, page 19
41 *Universal Credit Extended Gateway Evaluation*, page 43.
42 Memorandum, paragraph 15; *Universal Credit Extended Gateway Evaluation*, page 42

Table 2: Impact of Universal Credit on employment rates

	Days since start of claim								
	30	**60**	**90**	**120**	**150**	**180**	**210**	**240**	**270**
Snapshot of impact on employment rates (%)	6	6	5	5	4	3	4	3	3
Cumulative impact on employment rates (%)	-	7	7	7	8	8	8	8	8

Notes:

The snapshot figures show the impact of Universal Credit on the chances of someone being in paid work on a specific date after having made a new claim

The cumulative figures show the impact of Universal Credit on the chances of a person having had any paid work within the period of time since making a new claim

Analysis is based on 8,300 new Universal Credit claims in 10 offices between July 2013 and September 2014

Source: Department for Work & Pensions, Estimating the Early Labour Market Impacts of Universal Credit, Figures 6 and 7

15. The Department explained that Universal Credit is intended to remove direct payments to landlords by encouraging people to be sufficiently capable of managing their own budget.[43] However, it confirmed that alternative payment arrangements would continue for people who struggle to manage rent payments. For example, the Department explained that it had started a new 'trusted partners' process with social landlords. This is intended to identify people who would struggle with taking responsibility for their own rent when they move onto Universal Credit and so should have their rent paid directly to landlords by the Department.[44] The Department estimates that in the private rented sector, around 20% of cases will have rent paid directly to landlords, which is in line with current rates.[45] The Department anticipates that in the social rented sector the proportion of alternative payment arrangements will be higher, at roughly a third of cases, because those who are allocated social housing tend to be more vulnerable.[46]

43 Q 98
44 Q 93
45 Qq 92, 95
46 Qq 95-96

Annex: Universal Credit Milestones

Our recommendations in this report include that the Department for Work & Pensions (the Department) increase transparency around the Universal Credit programme and set out additional milestones for progress. This appendix sets out our expectations of the areas in which the Department should provide clear and specific milestones in the public domain. We suggest this in order to create more certainty for claimants, advisers and local authorities, and enable Parliament and taxpayers to hold the Department to account.

Existing milestones

1) The Department has publicly set out five milestones for monitoring progress of Universal Credit:[47]

- Finish rolling-out live service nationwide during 2015–16
- Start rolling-out the digital service in May 2016
- Complete the roll-out digital service within 24 months[48]
- Start the managed migration of existing claimants onto Universal Credit in 2018
- Finish the bulk of managed migration near the end of 2019

2) The Department and HM Treasury have also publicly discussed other milestones, such as:

- The expected date for approving the full business case in September 2017[49]
- The end of live service in October 2018[50]
- The completion of the migration of all claimants onto Universal Credit in March 2021[51]

3) The Comptroller and Auditor General's 2014 report on Universal Credit also includes some detail on plans for the programme.[52]

Milestones to improve transparency for the public, which the Department should publish

Overall progress of the programme

4) To improve on existing milestones, which indicate starting dates for broad phases of the programme, but do not indicate the expected rate of progress, the Department should also set out expectations for progress within these phases to help understand changes in roll-out schedules. For example:

47 Q 2
48 The Department explained that this has changed from its initial intention to roll-out the digital service in 18 months because it will begin by rolling out more slowly—Qq 2-5
49 Q 32
50 Q 80
51 Q 75
52 C&AG's Report, *passim*

- Mid-points or quartiles by volume for the number of claimants in each phase; to reflect variation in the expected final number of claimants the Department could express these as a percentage of claimants

How different claimants are likely to be affected

5) To help households, advisers and local authorities plan for the introduction of Universal Credit, the Department should set out when claimants will migrate to Universal Credit and over what period. This would include:

- Start and end points of migration for different benefit types, including tax credits and Employment and Support Allowance, encompassing some measure of the rate of migration described above
- A timetable setting out the progress of geographic roll-out for each phase, including at least 6 months advance notice for any local authority area
- Projections for the number of claimants of different household types at any point over the programme, for example single people, couples or families

Tracking benefits and changes to the business case

6) To improve transparency about how the evaluation of Universal Credit compares to original expectations, the Department should set out more detail on the programme's business case, including:

- The current and expected status of the business case over the course of the programme
- A summary of the economic case for Universal Credit and description of how it has changed in light of changes in economic conditions, modelling assumptions and policy changes
- In particular the Department should release greater detail behind its estimates of employment impacts so that we can compare these with successive waves of evaluation

More detailed milestones which we could use to track progress in future progress reviews

Programme phases

7) To enable us to consider the progress of phases in the roll-out of the programme, we expect to review more detailed information in future reviews, including:

- The expected and actual start and completion dates of phases for developing the digital service, including details on automation, component interfaces, and functionality
- Criteria for each tranche of transfers to the digital service and plans for integration testing and remediation of systems; details of exit criteria met in each phase
- Expected and actual progress of critical interfaces and dependencies; and use of contingencies (including costs of employing contingencies)

Operational milestones

8) To allow us to track the development of systems and operations, the Department should be ready to track operational milestones, such as:

- Expected and actual number of claimant types (or stories) served in Universal Credit
- Number of staff trained to deliver Universal Credit, split by role type and location; and number of staff actually delivering Universal Credit
- Plans for closure of live service systems and processes, or end of migration from live to digital service
- Expected and actual percentages of alternative payment arrangements by tenancy type and local authority area

Performance milestones

9) To enable us to track performance of the live and digital services, the Department should set out expected performance levels on a comparable basis with legacy benefits, including learning curves for:

- Processing times for new claims and changes in circumstances
- Sanction rates, appeals and decisions
- Projections for fraud and error overpayments and underpayments; and debt stock and recoveries

Benefit realisation

10) To allow us to track and assess benefits against plans, we will want to consider information that compares outcomes with business case expectations and other benchmarks. The Department should set out, for example:

- Projected spending, including both investment and running costs for:
- Live service (split between 'Staff and non staff costs' and 'External supplier costs')
- Digital service (split between 'Staff and non staff costs' and 'External supplier costs')
- Rest of programme (split between 'Staff and non staff costs' and 'External supplier costs')
- Net benefits realised versus forecasts (split between DEL, AME and non-cash)

Formal Minutes

Monday 25 January 2016

Members present:

Meg Hillier, in the Chair

Mr Richard Bacon	Nigel Mills
Deidre Brock	David Mowat
Caroline Flint	John Pugh
Kevin Foster	Karin Smyth
Mr Stewart Jackson	Mrs Anne-Marie Trevelyan

Draft Report (*Universal Credit: progress update*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 15 read and agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Summary agreed to.

Annex agreed to.

Resolved, That the Report be the Nineteenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Monday 1 February 2016 at 3.30pm

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the Committee's inquiry page.

Monday 7 December 2015

Question number

Robert Devereux, Permanent Secretary, Department for Work and Pensions; **Neil Couling**, Director General and Senior Responsible Owner for the universal credit programme, Department for Work and Pensions; and **James Bowler**, Director General, Tax and Welfare, Her Majesty's Treasury Q1–101

Published written evidence

The following written evidence was received and can be viewed on the Committee's inquiry page. UCR numbers are generated by the evidence processing system and so may not be complete.

1 Department for Work and Pensions (UCR0001)

2 Department for Work and Pensions (UCR0002)

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the Committee's website at www.parliament.uk/pac.

Session 2015–2016

First Report	Financial sustainability of police forces in England and Wales	HC 288
Second Report	Disposal of public land for new homes	HC 289
Third Report	Funding for disadvantaged pupils	HC 327
Fourth Report	Fraud and Error Stocktake	HC 394
Fifth Report	Care leavers' transition to adulthood	HC 411
Sixth Report	HM Revenue & Customs performance 2014–15	HC 393
Seventh Report	Devolving responsibilities to cities in England: Wave 1 City Deals	HC 395
Eighth Report	The Government's funding of Kids Company	HC 504
Ninth Report	Network Rail's: 2014–2019 investment programme	HC 473
Tenth Report	Care Act first-phase reforms and local government new burdens	HC 412
Eleventh Report	Strategic financial management of the Ministry of Defence and Military flying training	HC 391
Twelfth Report	Care Quality Commission	HC 501
Thirteenth Report	Overseeing financial sustainability in the further education sector	HC 414
Fourteenth Report	General Practice Extraction Service	HC 503
Fifteenth Report	Economic regulation in the water sector	HC 505
Sixteenth Report	Sale of Eurostar	HC 564
Seventeenth Report	Management of adult diabetes services in the NHS: progress review	HC 563
Eighteenth Report	Automatic enrolment to workplace pensions	HC 581
First Special Report	Unauthorised disclosure of draft Report in the previous Parliament	HC 539