



National Audit Office

Helping the nation spend wisely

Switchboard +44 (0)207 798 7000

Facsimile +44 (0)207 798 7070

Direct Line +44 (0)207 798 7938

Email joshua.reddaway@nao.org.uk

Date 22 May 2019

Owen Stevens
London Universal Credit Adviser
Child Poverty Action Group
30 Micawber Street
London
N1 7TB

Dear Owen

UNIVERSAL CREDIT PAYMENT TIMELINESS

Thank you for your emails between 18 March and 7 May 2019 setting out and clarifying your request for information. In them you asked why the National Audit Office stated that the Department for Work & Pensions has a target for payment timeliness of five weeks when the Department had told you that they do not have a target. You also asked how the Department measures payment timeliness.

The Department advises claimants on its website that they will be paid monthly. It also advises that it takes "around five weeks" to receive the first payment. The Department states that the wait is made up of a one-month assessment period and "up to 7 days for the payment to reach your account". Our report on [Universal Credit](#) sets out the process in Figure 9.

During this period the Department uses the time to verify the claimant's identity and other elements for which they may be entitled to a payment, for example housing, children and childcare. The Department will not pay a claim in full until the elements are verified.

The Department measures payment timeliness as a core performance metric in its monthly progress reports. It first started measuring this in January 2017 prior to the full roll out of Universal Credit Full Service, and has been evolving the supporting indicator set of lead variables since. Its current metrics have been in place since May 2018. These include monthly reporting on the percentage of claimants who were 'paid in full and on time' and 'paid some of their claim on time', where 'on time' refers to the 5 weeks.


Given that this performance metric refers to paying people "on time" and that it is a key management tool that the Department uses in managing its Universal Credit operations, we concluded that the word "target" was appropriate. Furthermore, as you are probably aware, the Department has the opportunity to comment on the factual accuracy and presentation of our report prior to publication. It did not highlight to us that the word target was incorrect.

However, the Department has confirmed to us that it does not use the word "target" to describe this measure. Nor does the Department have a target for the proportion of claims it expects to pay on time, and as we stated in paragraph 2.17 of our report, the Department thinks it is unreasonable to expect that all claimants will be paid on time because of the need to verify each claim.

I hope this explanation clarifies the position regarding the Department's terminology around its payment timeliness data for Universal Credit. I would be happy to have a further discussion on the matter if you would find this useful.

Thank you for contacting the National Audit Office and for your interest in Universal Credit.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'J Reddaway', with a long, sweeping horizontal stroke extending to the right.

Joshua Reddaway
Director, Work & Pensions VFM