



Department
for Work &
Pensions



Social Science in Government

Universal Credit Evaluation Framework 2016

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Summary

An Evaluation Framework for Universal Credit was published in December 2012, to set out high level plans for evaluation and research.

This document updates the original framework by reviewing what we have done so far and setting out evaluation plans going forward.

1.0 Introduction

This evaluation framework outlines DWP's plans for continuing to develop the Universal Credit evidence base and updates the Evaluation Framework document published in December 2012.¹

1.1 Policy background

Universal Credit (UC) represents a major overhaul of the welfare system, bringing together six benefits (income-related Jobseekers Allowance; income-related Employment and Support Allowance; Income Support; Housing Benefit; and Working and Child Tax Credits) into an integrated, income related, working age credit which is available both in and out of work. It provides households with a basic allowance topped up by additional components to recognise the needs of families with children, housing costs, disabilities or health conditions that limit work, and caring responsibilities. A key feature of UC is to increase overall financial incentives to work at the same time as strengthening the conditionality requirements on claimants to seek work and increase the number of hours worked.

1.2 Policy aims

The policy aims underpinning UC are ambitious, complex and far-reaching:

- To encourage more people into work and to make even small amounts of work pay
- To smooth the transition into work by offering a single benefit that removes the distinction between being in and out of work;
- To offer a less complicated system of support, with one system replacing multiple systems, which will reduce administrative costs and the potential for fraud and error; and
- To tackle poverty both through increased take-up of a simpler system and through increased reward for the claimant from being in work

1.3 Implementation timetable

DWP is taking an incremental approach to the rollout, to ensure that UC is introduced safely and securely. Whether an individual can claim UC depends on where they live and their personal circumstances. UC was initially introduced between April and July 2013 in four Pathfinder sites in the North West : Ashton-under-Lyne, Wigan, Warrington and Oldham. Progressive rollout of UC began in October 2013 and by spring 2014 ten offices were delivering UC.

¹ <https://www.gov.uk/government/publications/universal-credit-evaluation-framework>

In Pathfinder areas, there were a set of 'gateway conditions' so that only certain types of new claims were eligible for UC in those areas where UC had been introduced. The key conditions were that new claimants had to be single, not home-owners, without children and unemployed; in other words people who would otherwise have been making a new claim to Jobseekers Allowance. Annex 1 sets out the full list of conditions.

From summer 2014, UC started to roll out across the North West of England and eligibility was extended further to include couples (July 2014) and families with children (from December 2014). National expansion began in February 2015 and was completed in April 2016. Full service (digitally delivered) UC national coverage, including all claimant groups, is expected to be completed by 2020/21.

Having tested digital delivery of UC in a limited number of sites, the rate at which the full service will be rolled out increased from May 2016.

1.4 Research, evaluation and analysis

Universal Credit represents a significant shift in the Government's approach to delivering welfare and the associated policy and delivery changes to support it are so fundamental that a significant and comprehensive programme of research, evaluation and analysis is being undertaken.

An initial Evaluation Framework for UC was published by DWP in December 2012, prior to the introduction of the Pathfinders in April 2013. The intention was to outline the department's high level evaluation plans and to encourage engagement with a wide range of stakeholders whose expertise could potentially inform and help develop a full programme of evaluation and analysis of UC.

Since the outline framework was published, there have been changes in the way UC has been rolled out and implemented. This has inevitably impacted on evaluation plans, some of which have been adapted accordingly. As we reach an important landmark in the implementation of UC (a significant scaling up of digital delivery from May 2016), it is timely to review and update the Evaluation Framework, to take stock of the evidence base so far and set out our future research, evaluation and analysis plans.

2.0 Building an evidence base for UC

2.1 Evaluation aims and objectives

The evaluation of UC has to cover both early feedback and evidence on implementation and longer term evidence, for example on impacts and cost benefit analysis. Moreover, as UC is a major component of wider welfare reform, key evaluation aims need to reflect this:

- to provide timely, business-led operational information and analysis which aids implementation and delivery; and
- to develop a longer term and broader evidence base for UC as part of a wider evidence base on welfare reform

2.2 Evaluation themes

The 2012 Evaluation Framework structured the evaluation programme around five key themes:

- Delivery and implementation;
- Attitudes and behaviours;
- Impacts and impact measurement;
- Testing and experimentation; and
- Cost benefit analysis

It is useful at this point to take stock of what has been done so far, so the paragraphs below set out what research, evaluation or analysis has been carried out against each of these themes since the rollout of UC began in April 2013.

2.2.1 Delivery and implementation

This strand of evaluation aimed to provide evidence on the process of delivering UC, covering a range of themes such as customer, staff and stakeholder experience and channel usage and shift. It involved face to face interviews with staff and claimants. The intention was to provide rapid information and evidence on the rollout of UC and to add context to performance-related data, to inform future decision making and to help shape the ongoing development of UC.

Some examples of work completed in this area are:

- UC Pathfinder evaluation: interim results from UC Claimant survey, Wave 1 (published 2013)²

² <https://www.gov.uk/government/publications/universal-credit-pathfinder-evaluation-interim-results-from-the-universal-credit-claimant-survey-wave-1>

- UC Pathfinder evaluation 2014³
- UC Expanded Gateway Singles survey and qualitative research. Waves 1 & 2 (2015)⁴
- In-house process evaluation including a study to examine the delivery of Learning and Development provision for staff involved in delivering UC in live service, in both Jobcentres and Service Centres.

2.2.2 Attitudes and behaviours

This strand of evaluation aimed to address the extent to which some of the central aims of UC are being met by examining the evidence for changes in perceptions, beliefs and attitudes towards work and welfare. Key themes included changes in labour market behaviour, changes in individual and household behaviours, including household decision making about areas including work, budgeting and caring responsibilities. It also drew on existing evidence on attitudes towards work and welfare, from external, long-established surveys, for example British Social Attitudes Survey and Understanding Society.

Work carried out to date in this area includes:

- UC Pathfinder evaluation (2014)
- UC Expanded Gateway singles survey and qualitative research, waves 1 & 2 (2015)

2.2.3 Impacts and impact measurement

Assessing the employment and benefit impacts of UC is key to determining its overall success. Impact measurement necessarily takes place over a long timescale, mainly because of the time it takes to fully roll out the programme and reach steady-state impacts, but some early work has already been carried out:

- Feasibility study for measuring the labour market impacts of UC (2014)⁵
- Impact of UC on the labour market in Live Service and the North West expansion (2014)⁶

³: <https://www.gov.uk/government/publications/universal-credit-pathfinder-evaluation>

⁴ <https://www.gov.uk/government/publications/universal-credit-research-with-single-claimants-including-those-with-housing-costs>

⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/333912/evaluating-labour-market-impacts-universal-credit-feasibility-study.pdf

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/334312/evaluating-impact-universal-credit-labour-market-live-service-north-west.pdf

- Early Labour Market Impacts of UC (2015)⁷
- Updated Labour Market Impacts of UC (2015)⁸

2.2.4 Testing and experimentation

A number of small scale studies have been carried out or are underway to test elements of policy provision, including aspects of the UC offer, using a ‘test and learn’ approach. These include experimental behavioural research looking at the effects of messages about UC on perceptions of work and labour market behaviour among single claimants, couples and families; quantitative research with single claimants from the ‘extended gateway’ (from July 2014, in UC Pathfinders); and qualitative and quantitative research with families. Emerging findings have been shared with the policy and implementation colleagues and used internally. The intention is to publish reports when the work has been completed.

A Test and Learn approach has also been used in the in-house process research referred to at 2.2.1. Examples include seeking the views of staff in Service Centres and Jobcentres on Learning and Development, and carrying out interviews with staff and observations of process around the rollout of UC to families (winter 2014/15) in Jobcentres and Service Centres – the families research was first carried out in spring 2015 and again in spring 2016.

A number of other Tests, Trials or Proofs of Concept relating to various aspects of UC are currently underway or planned.

2.2.5 We are continuing to undertake a programme of economic analysis.

2.3 Work not yet carried out

As part of the delivery and implementation strand of the evaluation, the 2012 Evaluation Framework discussed the possibility of developing a UC Panel Study, which would potentially provide a longitudinal picture of claimants’ experience of UC, changes in attitudes and perceptions towards work and welfare, changes in income, hours worked and claiming behaviours. The Framework also discussed the potential for linking panel data with administrative data and feeding into impact assessment.

Given the likely scale and cost of a longitudinal panel survey, a study was externally commissioned to explore the options and assess the feasibility of setting up such a

⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/403546/universal-credit-estimating-the-early-labour-market-impacts-adhoc-19.pdf

⁸ <https://www.gov.uk/government/publications/universal-credit-estimating-the-early-labour-market-impacts-updated-analysis>

survey. The study concluded that it would be feasible and discussed options for survey design. A report on the feasibility study was published in March 2015.⁹

However, because of the incremental approach which was taken to the rollout of UC, volumes of claimants were lower than originally envisaged and it was not appropriate to develop a panel study. Now that the phased rollout of UC Full Service has begun, we are developing plans for a quantitative survey of claimants, to collect information on their experiences of and views on UC.

⁹ <https://www.gov.uk/government/publications/the-feasibility-of-conducting-a-universal-credit-panel-survey>

3.0 Evaluation plans going forward

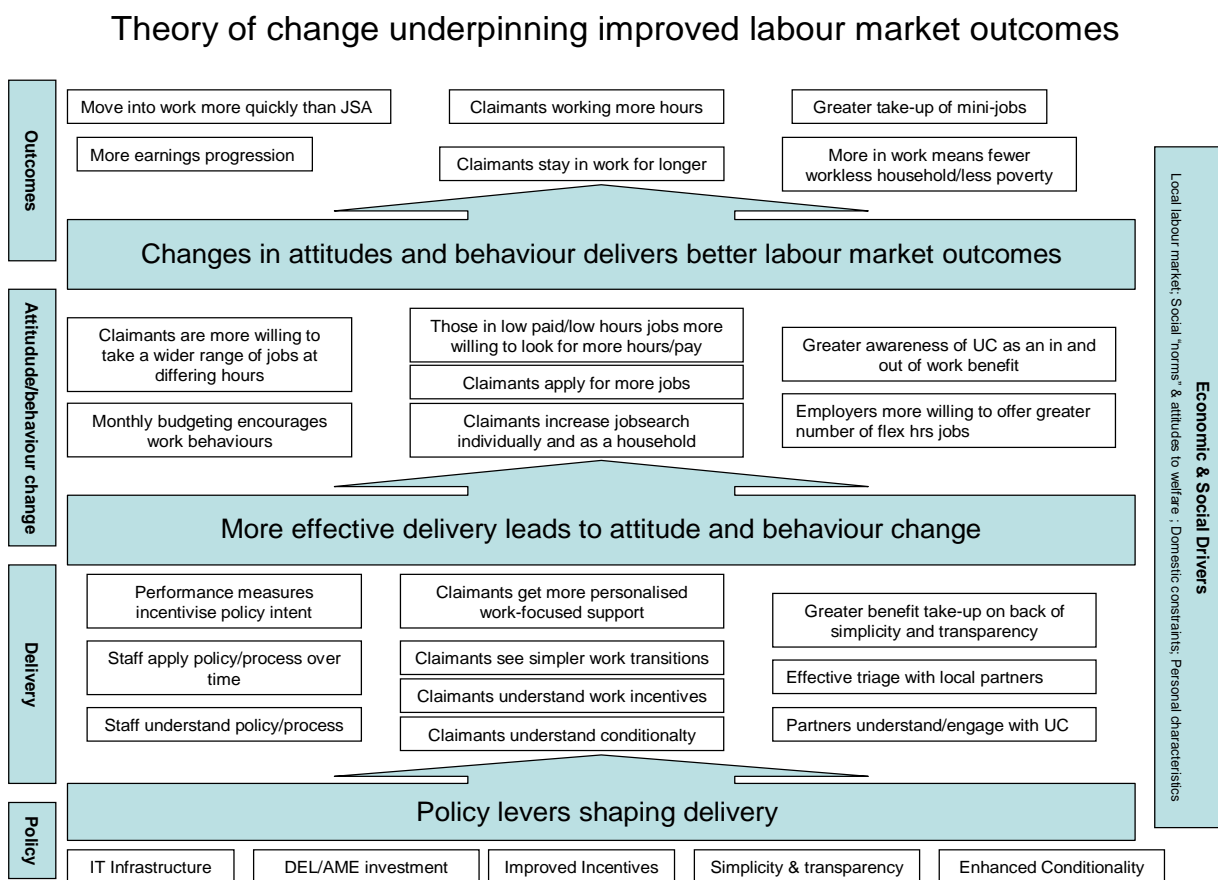
3.1 Theory of Change as a conceptual framework for the evaluation

The conceptual framework underpinning the evaluation of UC is the Theory of Change. At a high level, this suggests that UC will transform the way in which claimants perceive and interact with the benefit system, both in and out of work.

The hypothetical starting point for a theory driven approach to evaluation of UC is that a set of changes in the way working age benefits are designed and delivered, which simplify and increase the transparency of the claiming process, increase conditionality and improve the financial incentives to work, will bring about changes in claimants' understanding and behaviour in relation to work and the benefit system.

In other words, if there are changes in the way that working age benefits are designed, delivered, articulated and understood, this will result in better work incentives, more personal responsibility, reduced poverty and greater fairness in the welfare system.

This is illustrated in the diagram below:



Given the scale of UC and the range of different claimant groups it covers, any evaluation needs to be wide-ranging and multi-dimensional. The evaluation needs to identify the key elements of the policy intent and the mechanisms for bringing about behaviour change and explore the ways in which these are experienced, understood, and acted upon by different groups of claimants. A theory of change approach is appropriate in this context – it provides a framework for mapping out how we expect interventions to bring about behavioural change and identify the levers which drive those impacts. Theory of Change involves an iterative process, where findings are used to develop and fine-tune policy, rather than to provide a definitive answer as to whether or not a policy works, although ultimately there will of course be assessment of overall impact and effectiveness. Using a theory of change, evaluators aim not only to find out whether a policy works, but also to explore what works, for whom and in which circumstances. This is particularly important in UC, where policy makers are interested in changes in attitudes and behaviours as well as whether and how the various elements of UC interact and influence these.

3.2 How the Theory of Change has been applied in evaluation of UC

A theory of change framework underpins all the research and evaluation work which has been carried out since April 2013. Central to this is a Test and Learn approach, using ‘action research’ to inform implementation and delivery. The action research is carried out using a range of methods: in-house research, commissioned research, Rapid Evidence Assessments, testing and trialling and analysis of administrative data.

3.2.1 Examples of Test and Learn in UC evaluation

- (i) Externally commissioned **experimental behavioural research**, using a theory of change approach developed by Stern¹⁰, which suggests that internal factors such as attitudes, motivation and personal circumstances interact with external factors to influence behaviour. In this case, the external factors relate to UC and the study is looking at the effects of messages about UC or engagement with the programme on actual or anticipated labour market behaviour, across different claimant groups: singles, couples and families;
- (ii) Externally commissioned **qualitative and quantitative research with single claimants and families** to examine their experience and understanding of UC, and inform an assessment of the extent to which policy objectives are being met;
- (iii) externally commissioned **evaluation of the Universal Support delivered locally trials** which ran between September 2014 and August 2015 in eleven areas (with six areas extended to November 2015). The trials were intended to enable

¹⁰ Stern, P.C. (2000). Towards a coherent theory of environmentally significant behaviour. *Journal of Social Issues*, 56(3), 407-424.

early evaluation of how best to support those who may need digital and budgeting support in order to make and manage a UC claim, and to inform the framework for local support;

(iv) **In-house research with Jobcentre Plus staff** to assess their views on UC including their experience of L&D; to find out if there are gaps in staff knowledge; and to assess what more could be done to address this and how;

(v) **Rapid Evidence Assessments** commissioned by the UC Test and Learn Team and conducted by members of the evaluation team, which involve rapidly gathering all the available evidence on specific topics and feeding this to relevant areas of the UC programme through a governance process. Several topics have already been covered, including: health conditions and disabilities, housing, self-employment, Claimant Commitment, and claimant preparation and messaging; other topics are scheduled to be covered during 2016.

The externally commissioned research listed above will be published, once it is completed. In-house research with staff in Jobcentres and Service Centres has not been published but has informed UC Policy and Operations as part of a Test and Learn approach in early process evaluation of UC.

3.3 Evaluation themes

With national rollout of live service now complete and UC full service rollout ramping up, the scope of the evaluation will widen, although the key evaluation themes identified at the outset are likely to remain.

Delivery and implementation

This remains an evaluation theme, with live service now rolled out nationally, but the focus will also switch to UC Full Service, as the number of UC digital claims increases as a proportion of the overall UC caseload (both via new claims and as existing UC Live claimants are transferred to the digital service - the first transfers began in Hounslow in January 2016). Evaluation of the full service is likely to mirror that of Pathfinder and live service in that it will comprise both process and outcome strands, but it will differ in that it needs to be responsive to the 'agile build' approach being taken in ramping up digital delivery. From summer 2016, the scale of evaluation of digital UC will ramp up significantly, as more offices are brought into digital delivery. As with live service, early process evaluation is likely to be mainly qualitative and carried out in-house; it will focus on how different groups of claimants experience digital claims for UC. As numbers of digital claims increase, there will be a greater focus on externally commissioned quantitative research.

Attitudes and behaviours

This remains an important part of a theory of change based evaluation which seeks to examine and understand the way in which claimants perceive and interact with the

benefit system through their claims for and experiences of UC. This strand of evaluation will also now expand to cover evaluation of claimants' experience of and attitudes towards full service UC and whether and how it influences their behaviour.

The scope of this strand of the evaluation will also continue to expand as UC full service is delivered to groups of claimants with more complex circumstances, such as families, or people with disabilities or health conditions. It will be critically important to assess whether UC policy is being delivered as intended to these groups of claimants.

Impact assessment

This remains a critically important part of the evaluation of UC (and of the assessment of the effectiveness of wider welfare reform measures, of which UC is a major component). Ongoing analyses of the labour market impact of UC which have been carried out and updated over the past two years are being expanded to include full UC from May 2016. Work is currently underway to explore the options for assessing the impact of full service UC, given the increasing overlaps with live service (and with legacy benefits JSA/IS) since May 2016 when rollout of full service ramped up, and the complexity of defining and identifying suitable comparator groups. Impact assessment will also include wider groups of claimants as UC continues to roll out, for example to families, people with health conditions and disabilities or those with drug or alcohol related conditions.

Testing and Experimentation

This is a theme that will continue to feature in the evaluation, for example by extending or revisiting some of the Test and Learn work which has already been carried out. As UC rolls out further to families, this might include commissioning further experimental behavioural studies on 'message testing' focusing on full service delivery, or updating some of the process evaluation, for example the in-house observational research on families claims which was first carried out in January 2015 and then revisited in Spring 2016. For other groups of claimants, such as those with health conditions or disabilities, it will also be important to understand how messages about UC are understood and acted upon, in relation to both live and full service.

3.4 Data sources

The UC evaluation dataset (which includes feeds from several DWP administrative systems) is linked to data from the HMRC Real-Time Information (RTI) system. RTI requires employers to submit a range of detailed data to HMRC on or before each payday for each of their employees. It contains details of all payments made to employees and has better coverage of employment than previous systems. RTI data

is shared securely between HMRC and DWP and only encrypted non-disclosive data is made available to analysts.

Other data sources

In addition to the evaluation database, other sources of data include:

- Understanding Society
- the Labour Force Survey/Annual Population Survey
- the HMRC Panel Study of Tax Credit Recipients
- the Family Resources Survey
- the Wealth and Assets Survey

4.0 Governance

The evaluation strategy will be steered by an inter-departmental group of analysts and policy makers. In addition, an advisory group of independent external evaluation experts has been providing advice since 2012. The Group's main role is to provide expertise and independent advice and challenge to the analytical team in relation to the development of the evaluation approach. It is anticipated that this group will continue to exist throughout the lifetime of the evaluation.

Expert Group Membership

Professor Richard Blundell	University College London/Institute for Fiscal Studies
Professor Elaine Kempson	University of Bristol
Mr Paul Lanser	HMRC
Professor Helen Margetts	University of Oxford
Professor Steve Pudney	University of Essex
Dr Jim Riccio	MDRC, New York
Rebecca Riley	National Institute of Economic and Social Research
Professor Roy Sainsbury	Social Policy Research Unit, University of York
Professor Robert Walker	University of Oxford
Professor Ian Cole	Centre for Regional Economic and Social Research Sheffield Hallam University

5.0 Reporting

We will publish externally commissioned research and evaluation as part of the DWP Research Series or as an Ad Hoc DWP Report, as soon as it is ready for publication (in accordance with the Government Social Research Publication Protocol, this means within 12 weeks of receiving an agreed final report).

We will also publish internal analysis, for example updates to the Early Labour Market Impacts of UC analyses which have already been published, again as part of the DWP research Series or as an Ad Hoc DWP Report.

We will continue to publish Official Statistics on UC claimants and outcomes as soon as the data is collected and meets the required standards of the UK Statistics Authority's Code of Practice.

Annex 1

Gateway Eligibility Conditions in UC Pathfinders

Eligibility criteria for claimants that would receive UC in Pathfinder areas

A claimant is eligible for UC if they live in a Pathfinder area and:

- Do not own their property outright or have a mortgage
- Is not homeless
- Do not live in supported accommodation
- Does not live with a partner
- Does not have any dependent children
- Is not required to pay maintenance for a child by the CSA
- Is a British citizen living in England, Wales or Scotland
- Has lived in the UK continuously for the last 2 years
- Is aged between 18 and 60 years and 6 months
- Has a UK national insurance number
- Does not receive Disability Living Allowance (DLA) or Personal Independence Payment (PIP)
- Does not have a fit note or is in a period of self-certification for sickness
- Is not self-employed
- Is not in education or training and is not due to start education or training in the next month
- Is not represented by a PAB/CAB
- Is not a carer for an adult with disabilities or health problems
- Is not pregnant and hasn't given birth in the last 15 weeks
- Does not have savings, shares or capital worth over £6,000
- Has a bank, building society or post office card account
- Do not have take home pay of over £270 a month if aged under 25
- Do not have take home pay of £330 a month or over if aged 25 or over
- Is not currently claiming Employment and Support Allowance (ESA), Jobseekers Allowance (JSA), Income Support (IS), Working Tax Credit (WTC), Incapacity Benefit (IB), Housing Benefit (HB), Severe Disablement Allowance (SDA)
- Is not appealing against a decision not to pay ESA, JSA, IS, WTC, IB, HB, SDA
- Is not waiting for a decision on ESA, JSA, IS, WTC, HB
- Have not received JSA in the last 2 weeks
- Have not received ESA in the last 2 weeks