

# Universal Credit Statistical Ad Hoc: Payment Timeliness

Data for Jan 2017 to June 2017 (updated in October 2017 with UC Full Service data to September 2017)

● One Off

Published: September 2017, updated October 2017  
Great Britain

One Off

**Updated October 2017: a new annex contains more recent statistics for UC Full Service (from page 15).**

## Policy background and introduction

Universal Credit is revolutionising the welfare system by making work pay. The design and structure of Universal Credit is transformational, it focuses on replicating the world of work, encouraging claimants to take greater responsibility for their finances and incentivising them to earn more and progress in work. At the same time Universal Credit provides support for people who can't work or need help moving towards the labour market. Universal Credit is already transforming lives and evidence shows people are moving into work faster and working longer with Universal Credit than under the old system.

This publication provides ad hoc statistics on payment timeliness for claims to Universal Credit (UC). Universal Credit entitlement is calculated over monthly Assessment Periods (APs). Claims which are paid on time will receive payment by the payment due date, which is 7 days after an Assessment Period ends. This publication is being released alongside two other statistical ad hoc publications, on the related topics of: UC Waiting Days and UC payment advances (link on page 14).

## Main stories

The latest data is for payments due in the week from 19<sup>th</sup> June 2017.

For all claims, the graph (left-hand side) shows:

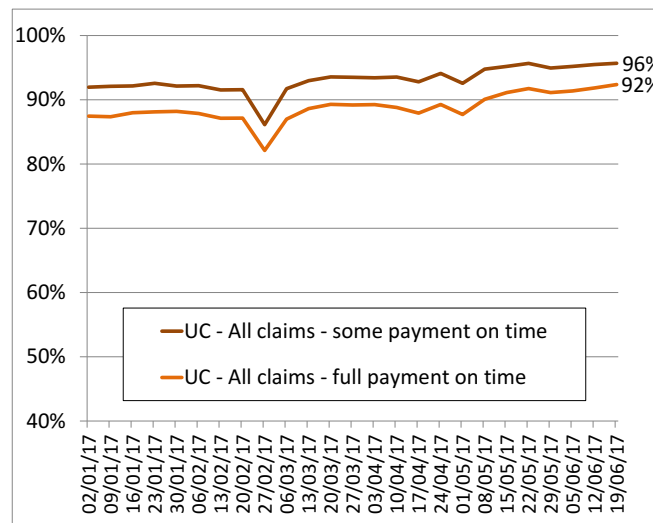
- 96% of Universal Credit claims received some payment on time.
- 92% of claims received full payment on time.

Late payments can arise for a number of reasons including: verification processes not being completed on-time (either by DWP or the claimant), or claims being amended.

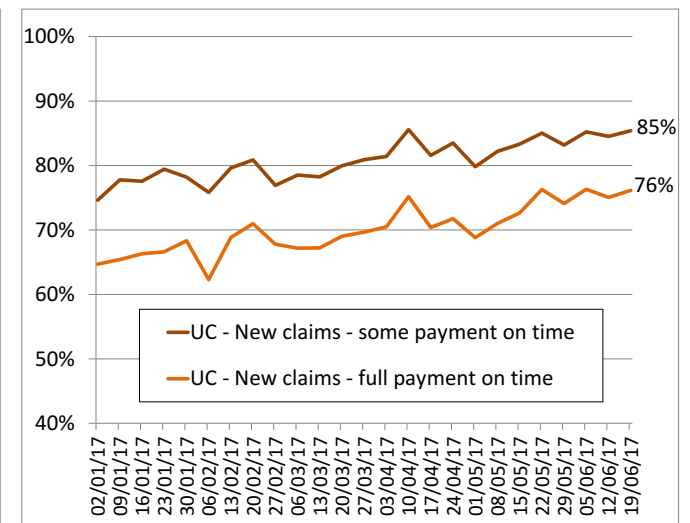
New claims are less likely to be paid, because there are more processes that need to be completed prior to payment. For the week from 19<sup>th</sup> June 2017:

- 85% of new claims to Universal Credit received some payment on time.
- 76% of new claims to Universal Credit received full payment on time.

### Proportion of claims to UC paid on time



### Proportion of new claims to UC paid on time



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Comments? Feedback is welcome

## What you need to know

### Universal Credit

#### *Policy background*

Universal Credit is revolutionising the welfare system by making work pay. The design and structure of Universal Credit is transformational, it focuses on replicating the world of work, encouraging claimants to take greater responsibility for their finances and incentivising them to earn more and progress in work. At the same time Universal Credit provides support for people who can't work or need help moving towards the labour market. Universal Credit is already transforming lives and evidence shows people are moving into work faster and working longer with Universal Credit than under the old system.

Support for housing costs, children and childcare costs are integrated into Universal Credit, which also provides additions for disabled people and carers. Over time, UC will replace the following benefits:

- Income-based Jobseeker's Allowance;
- Income-related Employment and Support Allowance;
- Income Support;
- Working Tax Credit;
- Child Tax Credit; and
- Housing Benefit.

Some of the main characteristics of Universal Credit (UC) are:

- UC is available both to out-of-work and in-work claimants (who have a low income). As claimants move into (or out of) work, they will get on-going support through UC.
- Most claims to UC will be made online and managed through an online account.
- Claimants will typically receive a single, monthly, household payment. This will be paid into a bank account in the same way as a monthly salary.

## **Rollout**

Universal Credit is now available in every Jobcentre across the country, covering all Local Authorities, and supported by 22 Service Centres. UC is being introduced gradually, and was initially introduced from April 2013 in certain areas of the North West, known as Pathfinder sites. Initial eligibility criteria focused on single, unemployed, non-home-owning claimants without any children. In February 2015 the service started national rollout to new single unemployed claimants across Great Britain. By April 2016 Universal Credit was available for new claims from single unemployed claimants in all jobcentres across the country and also for couples and families in 96 sites across the North West of England. This phase of UC rollout was known as UC Live service.

In May 2016 DWP started expansion of Universal Credit to a wider range of claimants, as with the rollout to single jobseekers, DWP have been doing this in a gradual, safe and secure way and the new Full Service is now available in 101 jobcentres around the country. From October 2017 DWP will begin to scale up to more than 50 jobcentres a month and the intention is that all cases are migrated, and a full service is available nationally, by March 2022. After the expansion process is complete, DWP will begin migrating claimants on other benefits to the Universal Credit Full Service from July 2019. This phase of UC rollout is known as UC Full service.

See the Universal Credit statistics release strategy (link on page 14) for updates on the release of Universal Credit statistics.

## **Payment timeliness**

This publication provides ad hoc statistics on payment timeliness within Universal Credit.

Universal Credit entitlement is calculated over monthly Assessment Periods (APs). Claims which are paid on time will receive payment by the payment due date, which is 7 days after an Assessment Period ends. Payments can be made late for a number of reasons, including:

- verification processes not being completed on-time (either by DWP or the claimant), or
- claims being amended at a late stage.

For new claims to UC (i.e. claims currently in their first Assessment Period), there are a number of one-off verification processes that must be completed to ensure the claimant (or both claimants in a joint claim) are eligible for UC. For this reason we would expect payment timeliness to be lower when looking at new claims. For this reason results are also presented for new claims only.

## **Glossary of acronyms**

- AP    Assessment Period (the monthly period over which UC entitlement is calculated).
- FS    Full Service (one of the two UC services through which claims are administered) .
- LS    Live Service (one of the two UC services through which claims are administered).
- UC    Universal Credit.

## Method of analysis

Results are produced separately for claims to UC Live Service and UC Full Service and are then aggregated to give overall results for UC. Results are given as a percentage, showing the proportion of claims that are paid on-time.

### *Calculation of results*

Our analysis is based on all claims which were due a payment in a given week.

The proportion of these claims which were paid on time is calculated as:

$$\text{Proportion of claims paid on time} = \frac{\text{Claims paid on time}}{\text{Claims paid on time} + \text{Claims paid late}}$$

The result of this calculation will change over time as additional late payments are made. To allow for this, results are not produced for a period of 7 weeks following the payment due date. It is possible that further late payments will be made after this point, but these would not be expected to change the results by more than 1 or 2 percentage points.

**October 2017 update:** To provide more recent results, this updated publication has added a further 6 weeks of estimated data for UC Full Service (shown as a dashed line within the annex charts A1 and A2). For these further weeks, the proportion of claims that are paid on time has been estimated, based on a ratio over the last 4 weeks of actuals data, comparing what we know on the payment due date, and what we know several weeks later, after further claim activity has taken place. These estimates are subject to revision as later data is received and our assessment is that this could change the estimates by up to 3 percentage points.

It is assumed that all claims that are due a payment will be paid: either on time or late. Some claims will not receive a payment, because the claimant is not eligible for support, or because their earnings during the monthly Assessment Period are sufficiently high. These claims are excluded from this analysis, as they are neither paid on time nor late. There are a numerous reasons why a claim might not be eligible for support.

### *Results of this analysis have been presented separately for:*

- 'New claims' and 'All claims'.

Results for 'All claims' give a full picture of payment timeliness for UC.

Results for 'New claims' reflect the timeliness of the first payment to claimants (i.e. relating to the first Assessment Period of the claim). There are a number of one-off verification processes that must be completed by the claimant and by DWP at the start of the claim – to confirm the current circumstances of the claimant (or both claimants in a joint claim) and their entitlement to UC. Payment timeliness is therefore liable to be lower for 'New claims'.

This analysis does not consider UC payment advances. Advances are most frequently paid to 'New claims' (as either a 'New Claim Advance' or 'Benefit Transfer Advance'). Further information on UC payment advances is available within a separate statistical ad hoc publication, being released alongside this publication and a third publication on the topic of UC Waiting Days (link on page 14).

- 'Some payment on time' and 'full payment on time'.

We produce analysis based on two definitions of an 'On Time' payment.

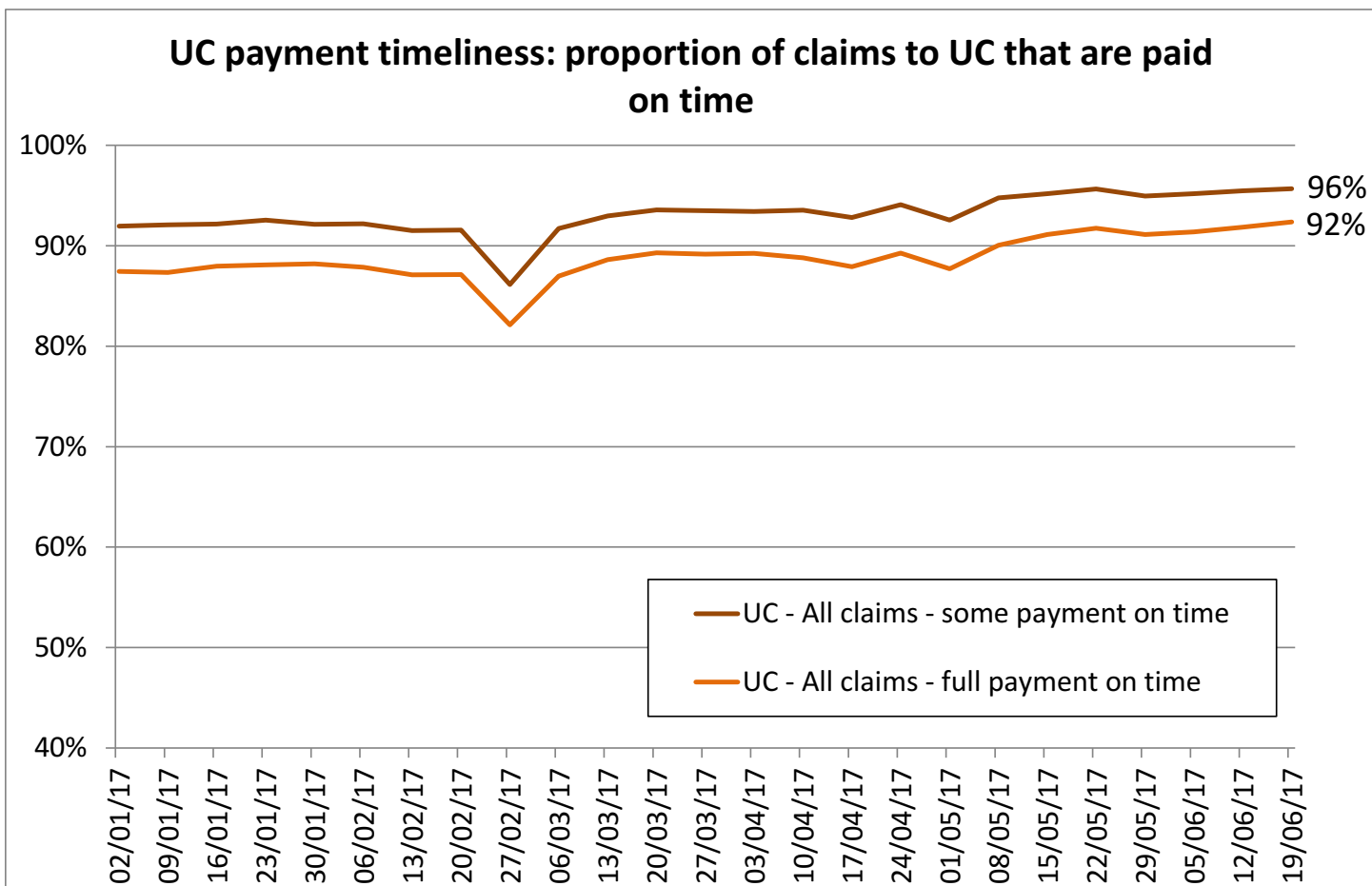
Claims are recorded as receiving 'some payment on time' if at least some of the UC award has been paid by the date it was due. In some cases the claimant may receive an additional payment after the payment due date, but this does not affect the results.

Claims are recorded as receiving 'full payment on time' where the full UC award has been paid by the date it was due (i.e. the claimant does not receive any additional payments, for the same period of the claim, after the payment due date.

One circumstance where a payment could be made in multiple instalments is where verification processes have not been completed for a particular element of a claim. For example, if verification has not been completed for the housing element, the basic payment may be paid first, followed by a payment in respect of housing once the claimant's entitlement to this element is confirmed. If the basic payment was made by the due date but the housing element was paid later then we would determine that 'some payment' was made on time, but that the 'full payment' was not.

# UC payment timeliness: proportion of claims to UC that are paid on time

Chart 1: UC payment timeliness: proportion of claims to UC that are paid on time



**The measures:**

Claims are marked as 'some payment on time' if they receive a payment by the due date. This may not represent the claimant's full entitlement e.g. because some verification processes are yet to be completed, or because a claim is amended.

Claims are marked as 'full payment on time' if they receive a payment by the due date, and receive no further payments after the due date.

**Source:** DWP administrative data.

**Latest results**

The latest data, for payments due in the week from 19<sup>th</sup> June 2017, shows:

- 96% of claims to Universal Credit received some payment on time.
- 92% of claims to Universal Credit received full payment on time.

**Trends over 2017**

- Performance has increased since the start of 2017.
- The slight dip in performance for the week from 27/02/2017 is likely caused by February being a shorter month. This means that an additional two to three days' worth of payments fell due in the week (those that would normally be made on the 29th, 30th or 31st). Note that this dip in performance was smaller for UC Full Service, as shown in Chart 3 on page 10.
- The slight fluctuations in performance in April and May occur around the Easter and early May bank holidays.

**About the statistics**

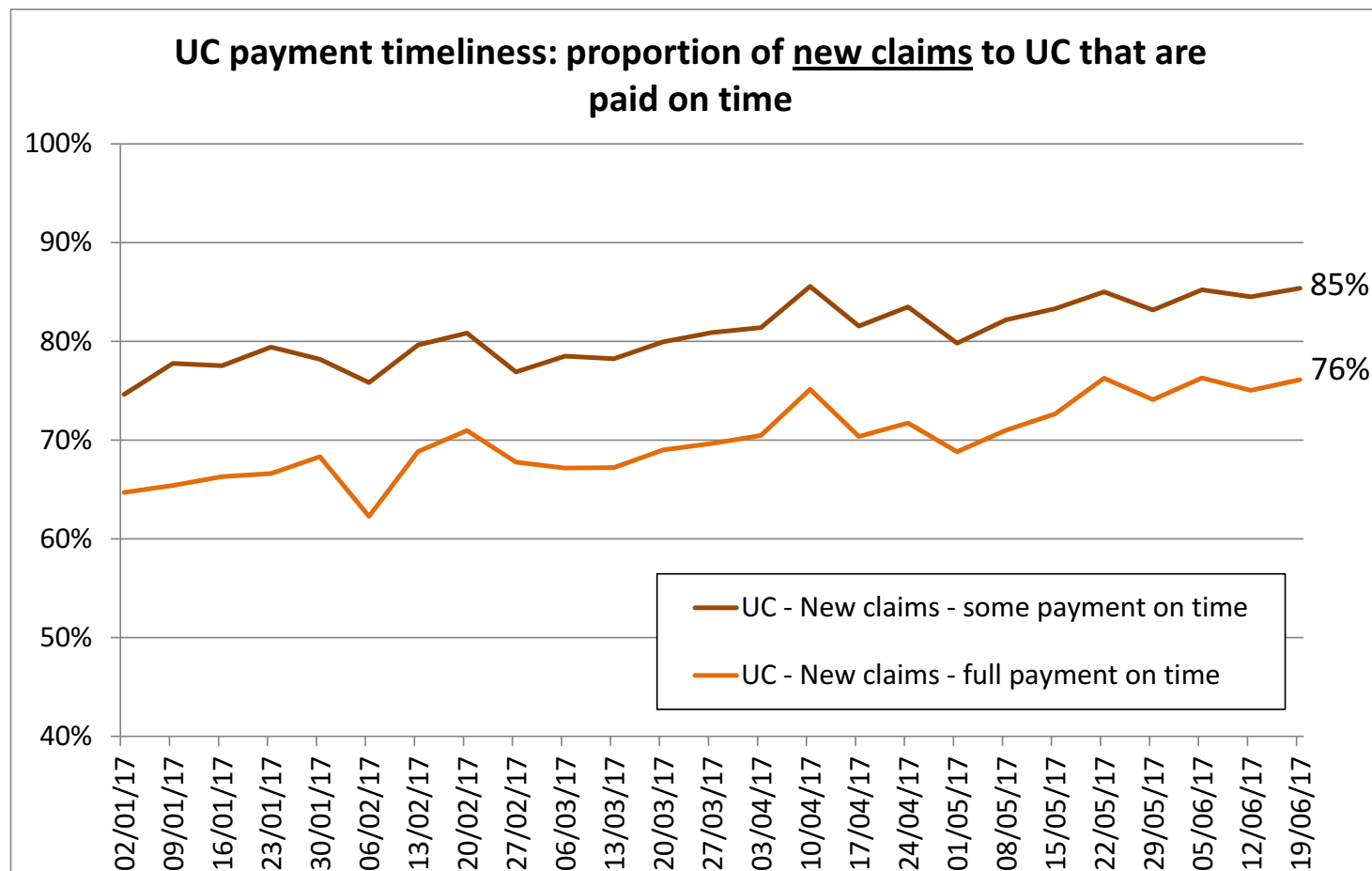
See 'Method of analysis' (pages 4-5).

**Table 1: UC payment timeliness: proportion of claims to UC that are paid on time**

Week commencing	Proportion of claims to UC receiving some payment on time	Proportion of claims to UC receiving full payment on time
02/01/17	92%	87%
09/01/17	92%	87%
16/01/17	92%	88%
23/01/17	93%	88%
30/01/17	92%	88%
06/02/17	92%	88%
13/02/17	92%	87%
20/02/17	92%	87%
27/02/17	86%	82%
06/03/17	92%	87%
13/03/17	93%	89%
20/03/17	94%	89%
27/03/17	93%	89%
03/04/17	93%	89%
10/04/17	94%	89%
17/04/17	93%	88%
24/04/17	94%	89%
01/05/17	93%	88%
08/05/17	95%	90%
15/05/17	95%	91%
22/05/17	96%	92%
29/05/17	95%	91%
05/06/17	95%	91%
12/06/17	95%	92%
19/06/17	96%	92%

# UC payment timeliness: proportion of new claims to UC that are paid on time

Chart 2: UC payment timeliness: proportion of new claims to UC that are paid on time



**The measures:**

Claims are marked as 'some payment on time' if they receive a payment by the due date. This may not represent the claimant's full entitlement e.g. because some verification processes are yet to be completed, or because a claim is amended.

Claims are marked as 'full payment on time' if they receive a payment by the due date, and receive no further payments after the due date.

**Source:** DWP administrative data.

**Latest results**

The latest data, for payments due in the week from 19<sup>th</sup> June 2017, shows:

- 85% of new claims to Universal Credit received some payment on time.
- 76% of new claims to Universal Credit received full payment on time.

**Trends over 2017**

- Performance has increased since the start of 2017.
- As with performance for all claims to UC (Chart 1), performance for new claims has been affected by bank holidays and by February being a shorter month.

**About the statistics**

See 'Method of analysis' (pages 4-5).

Payment timeliness is lower when looking at new claims than when looking at all claims.

Furthermore the gap between 'some payment on time' and 'full payment on time' is greater for new claims.

In both cases this is expected, as there are a number of one-off verification processes that must be completed within the first month of a claim (the first 'Assessment Period') to ensure the claimant (or both claimants in a joint claim): is eligible for UC, and is entitled to support for all elements claimed.

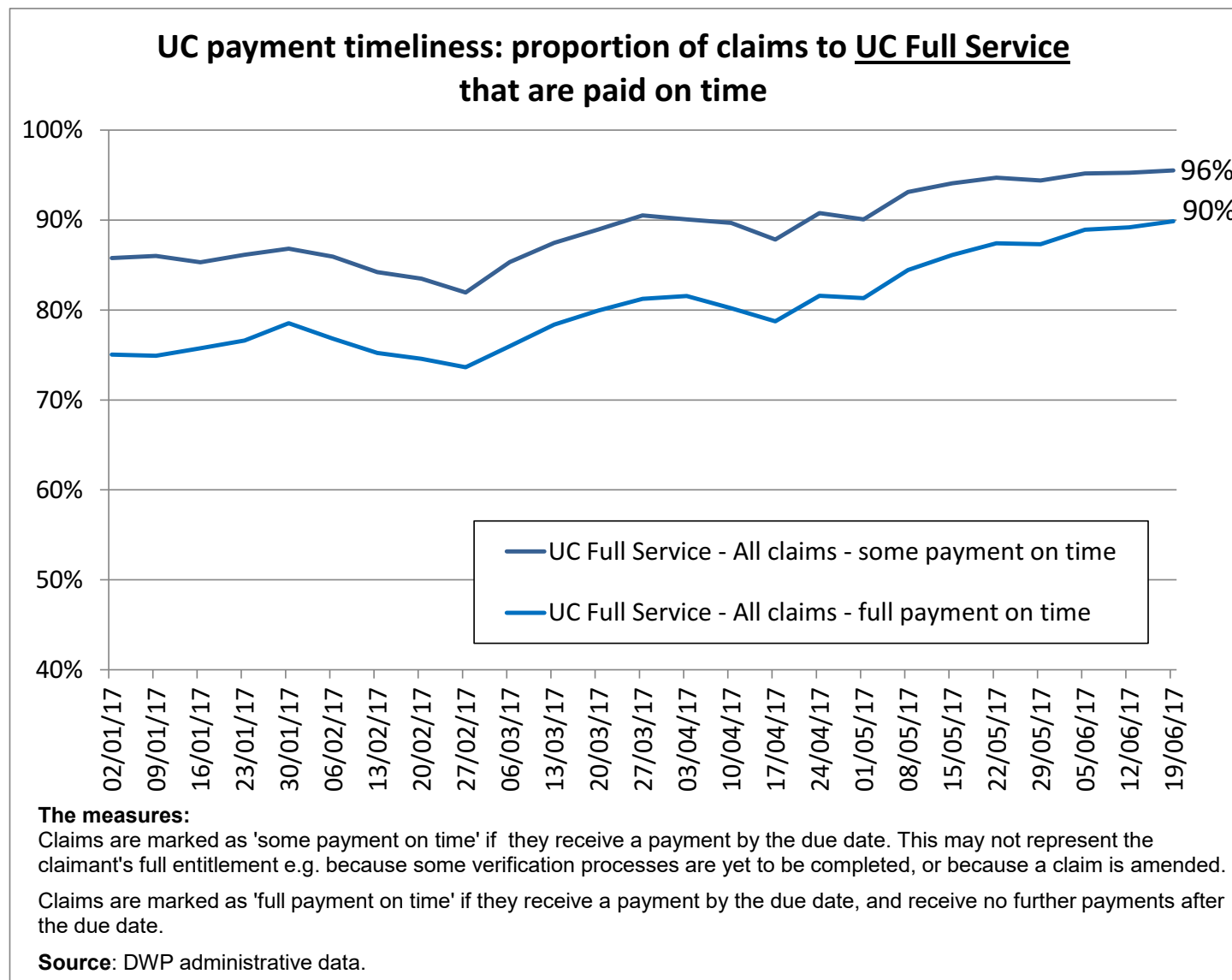


**Table 2: UC payment timeliness: proportion of new claims to UC that are paid on time**

Week commencing	Proportion of new claims to UC receiving some payment on time	Proportion of new claims to UC receiving full payment on time
02/01/17	75%	65%
09/01/17	78%	65%
16/01/17	78%	66%
23/01/17	79%	67%
30/01/17	78%	68%
06/02/17	76%	62%
13/02/17	80%	69%
20/02/17	81%	71%
27/02/17	77%	68%
06/03/17	79%	67%
13/03/17	78%	67%
20/03/17	80%	69%
27/03/17	81%	70%
03/04/17	81%	70%
10/04/17	86%	75%
17/04/17	82%	70%
24/04/17	83%	72%
01/05/17	80%	69%
08/05/17	82%	71%
15/05/17	83%	73%
22/05/17	85%	76%
29/05/17	83%	74%
05/06/17	85%	76%
12/06/17	85%	75%
19/06/17	85%	76%

# UC payment timeliness: proportion of claims to UC Full Service that are paid on time

Chart 3: UC payment timeliness: proportion of claims to UC Full Service that are paid on time



## Latest results

The latest data, for UC Full Service payments due in the week from 19<sup>th</sup> June 2017, shows:

- 96% of claims to UC Full Service received some payment on time.
- 90% of claims to UC Full Service received full payment on time.
- Performance for Full Service being similar to the overall performance, despite claims being more complex.

## Trends over 2017

- Performance has increased since the start of 2017.
- As with performance for all claims to UC (Chart 1), performance for new claims to UC Full Service has been affected by bank holidays and by February being a shorter month.

## About the statistics

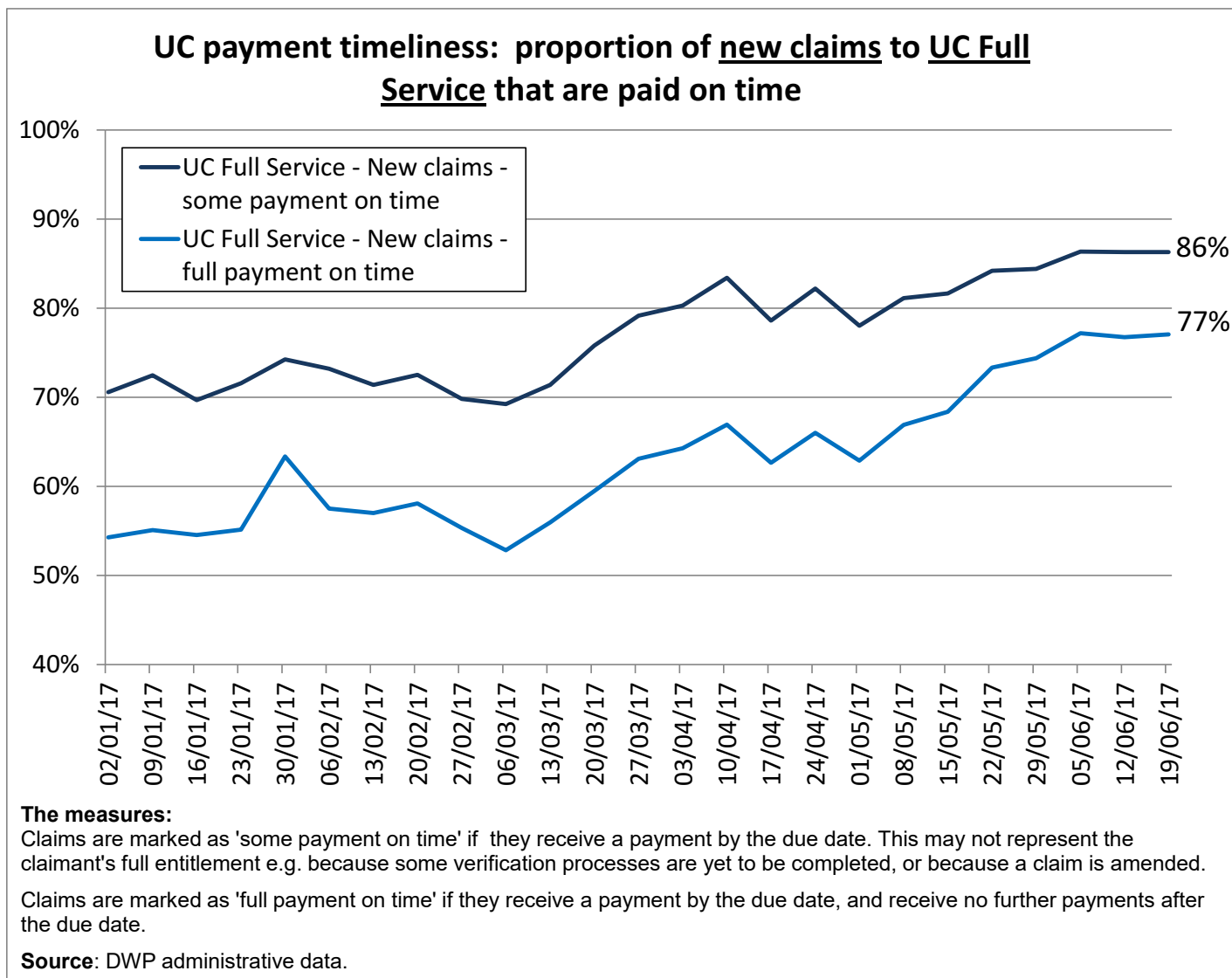
See 'Method of analysis' (pages 4-5).

**Table 3: UC payment timeliness: proportion of claims to UC Full Service that are paid on time**

Week commencing	Proportion of claims to UC Full Service receiving some payment on time	Proportion of claims to UC Full Service receiving full payment on time
02/01/17	86%	75%
09/01/17	86%	75%
16/01/17	85%	76%
23/01/17	86%	77%
30/01/17	87%	79%
06/02/17	86%	77%
13/02/17	84%	75%
20/02/17	83%	75%
27/02/17	82%	74%
06/03/17	85%	76%
13/03/17	87%	78%
20/03/17	89%	80%
27/03/17	91%	81%
03/04/17	90%	82%
10/04/17	90%	80%
17/04/17	88%	79%
24/04/17	91%	82%
01/05/17	90%	81%
08/05/17	93%	84%
15/05/17	94%	86%
22/05/17	95%	87%
29/05/17	94%	87%
05/06/17	95%	89%
12/06/17	95%	89%
19/06/17	96%	90%

# UC payment timeliness: proportion of new claims to UC Full Service that are paid on time

Chart 4: UC payment timeliness: proportion of new claims to UC Full Service that are paid on time



## Latest results

The latest data, for UC Full Service payments due in the week from 19<sup>th</sup> June 2017, shows:

- 86% of new claims to UC Full Service received some payment on time.
- 77% of new claims to UC Full Service received full payment on time.
- Performance for new claims to UC Full Service being slightly higher than the overall performance for new claims, despite claims being more complex.

## Trends over 2017

- Performance has increased since the start of 2017.
- As with performance for all claims to UC (Chart 1), performance for new claims has been affected by bank holidays and by February being a shorter month.

## About the statistics

See 'Method of analysis' (pages 4-5).

Payment timeliness is lower when looking at new claims than when looking at all claims.

Furthermore the gap between 'some payment on time' and 'full payment on time' is greater for new claims.

In both cases this is expected, as there are a number of one-off verification processes that must be completed within the first month of a claim (the first 'Assessment Period') to ensure the claimant (or both claimants in a joint claim): is eligible for UC, and is entitled to support for all elements claimed.

**Table 4: UC payment timeliness: proportion of new claims to UC Full Service that are paid on time**

Week commencing	Proportion of new claims to UC Full Service receiving some payment on time	Proportion of new claims to UC Full Service receiving full payment on time
02/01/17	71%	54%
09/01/17	72%	55%
16/01/17	70%	55%
23/01/17	72%	55%
30/01/17	74%	63%
06/02/17	73%	58%
13/02/17	71%	57%
20/02/17	73%	58%
27/02/17	70%	55%
06/03/17	69%	53%
13/03/17	71%	56%
20/03/17	76%	59%
27/03/17	79%	63%
03/04/17	80%	64%
10/04/17	83%	67%
17/04/17	79%	63%
24/04/17	82%	66%
01/05/17	78%	63%
08/05/17	81%	67%
15/05/17	82%	68%
22/05/17	84%	73%
29/05/17	84%	74%
05/06/17	86%	77%
12/06/17	86%	77%
19/06/17	86%	77%

## About these statistics

These statistics have been compiled using administrative data covering Live Service and Full Service which, when combined, represent all claims to Universal Credit.

This analysis covers the period Jan 2017 to June 2017 (updated October 2017 with a new annex containing UC Full Service data to September 2017) and excludes nil value Universal Credit awards (which are neither paid late nor on time). These may occur, for example, when a claimant has sufficiently high earnings during the relevant Assessment Period. By excluding these Assessment Periods this analysis is restricted to the active, in-payment Universal Credit caseload.

This publication is being released alongside two other statistical ad hoc publications, on the related topics of: UC Waiting Days and UC payment advances. The statistical ad hoc publications on UC payment timeliness (i.e. this publication) and UC payment advances were updated in October with more recent results for UC Full Service. These publications can be found at: <https://www.gov.uk/government/collections/ad-hoc-statistical-analyses-2017#ad-hoc-statistical-publications>.

All percentages are rounded to the nearest 1%.

## Where to find out more

More information on the Universal Credit statistics release strategy can be found at:

<https://www.gov.uk/government/publications/universal-credit-statistics-background-information>

Monthly Universal Credit official experimental statistics releases can be found at:

<https://www.gov.uk/government/collections/universal-credit-statistics>

This report was produced by:

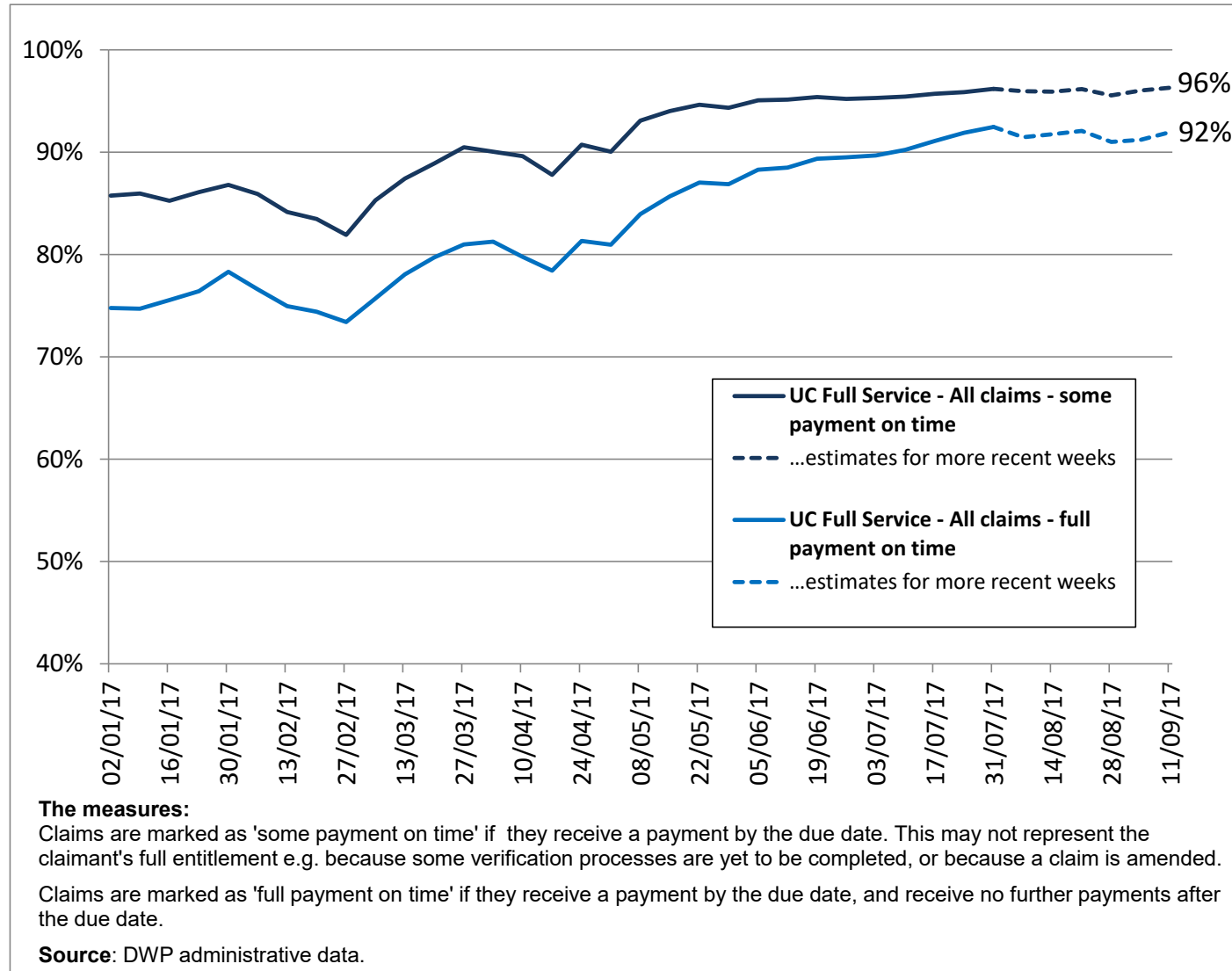
James Evans

Department for Work and Pensions

## Annex: more recent results for UC Full Service (updated October 2017)

### UC payment timeliness: proportion of claims to UC Full Service that are paid on time, with estimates to September 2017

Chart A1: UC payment timeliness: proportion of claims to UC Full Service that are paid on time, with estimates to September 2017



#### Latest results

The latest estimates, for UC Full Service payments due in the week from 11<sup>th</sup> September 2017, show:

- 96% of claims to UC Full Service received some payment on time.
- 92% of claims to UC Full Service received full payment on time.

#### Trends over 2017

- Performance has increased since the start of 2017.
- As with performance for all claims to UC (Chart 1), performance for claims to UC Full Service has been affected by bank holidays and by February being a shorter month.

#### About the statistics

See 'Method of analysis' (pages 4-5).

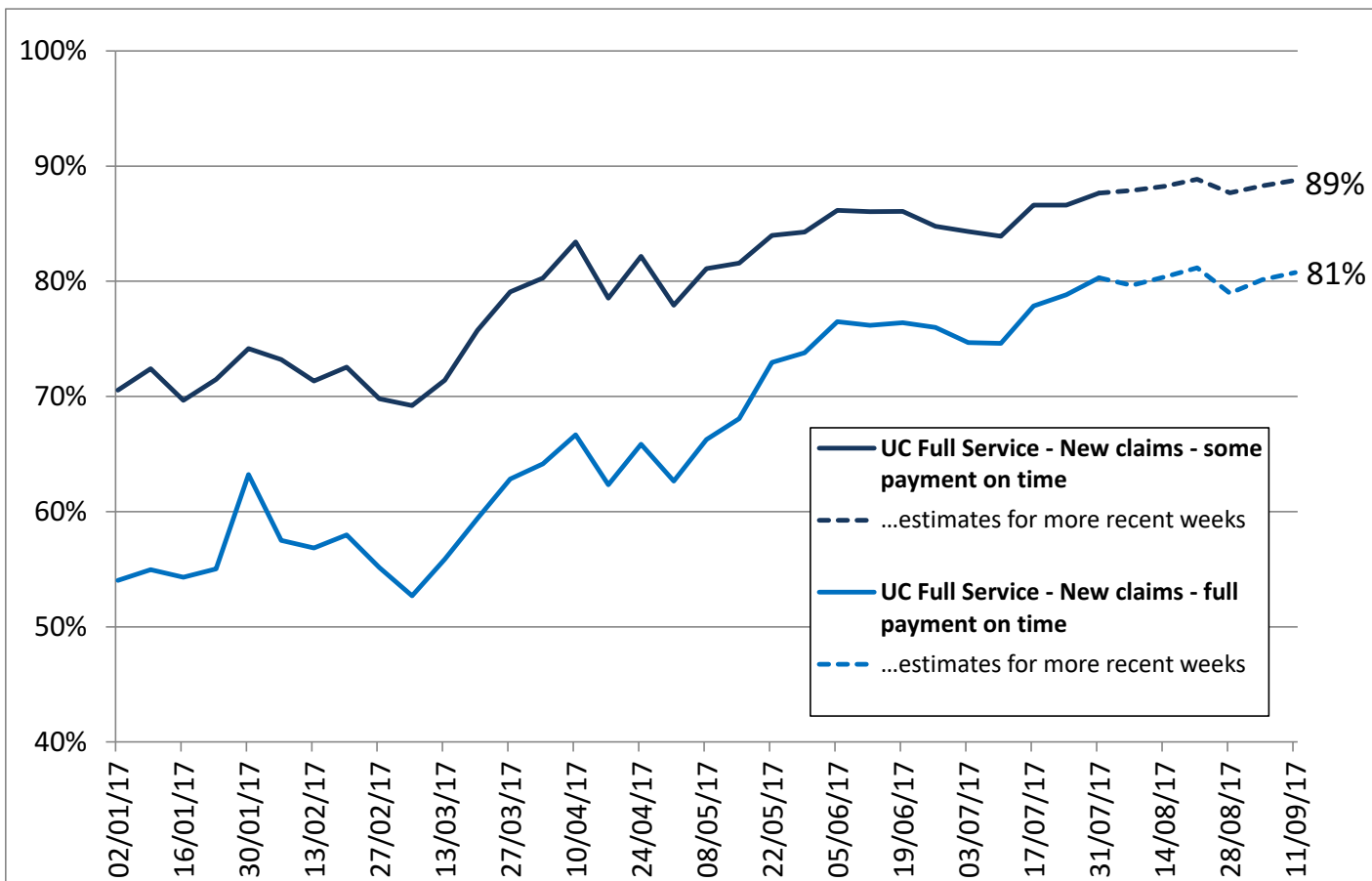
**Table A1: UC payment timeliness: proportion of claims to UC Full Service that are paid on time, with estimates to September 2017**

Week commencing	Proportion of claims to UC Full Service receiving some payment on time	...estimates for more recent weeks	Proportion of claims to UC Full Service receiving full payment on time	...estimates for more recent weeks
02/01/17	86%		75%	
09/01/17	86%		75%	
16/01/17	85%		76%	
23/01/17	86%		76%	
30/01/17	87%		78%	
06/02/17	86%		77%	
13/02/17	84%		75%	
20/02/17	83%		74%	
27/02/17	82%		73%	
06/03/17	85%		76%	
13/03/17	87%		78%	
20/03/17	89%		80%	
27/03/17	90%		81%	
03/04/17	90%		81%	
10/04/17	90%		80%	
17/04/17	88%		78%	
24/04/17	91%		81%	
01/05/17	90%		81%	
08/05/17	93%		84%	
15/05/17	94%		86%	
22/05/17	95%		87%	
29/05/17	94%		87%	
05/06/17	95%		88%	
12/06/17	95%		89%	
19/06/17	95%		89%	
26/06/17	95%		90%	
03/07/17	95%		90%	
10/07/17	95%		90%	
17/07/17	96%		91%	
24/07/17	96%		92%	
31/07/17	96%		92%	
07/08/17		96%		91%
14/08/17		96%		92%
21/08/17		96%		92%
28/08/17		96%		91%
04/09/17		96%		91%
11/09/17		96%		92%



# UC payment timeliness: proportion of new claims to UC Full Service that are paid on time, with estimates to September 2017

Chart A2: UC payment timeliness: proportion of new claims to UC Full Service that are paid on time, with estimates to September 2017



**The measures:**

Claims are marked as 'some payment on time' if they receive a payment by the due date. This may not represent the claimant's full entitlement e.g. because some verification processes are yet to be completed, or because a claim is amended.

Claims are marked as 'full payment on time' if they receive a payment by the due date, and receive no further payments after the due date.

**Source:** DWP administrative data.

**Latest results**

The latest estimates, for UC Full Service payments due in the week from 11<sup>th</sup> September 2017, show:

- 89% of new claims to UC Full Service received some payment on time.
- 81% of new claims to UC Full Service received full payment on time.

**Trends over 2017**

- Performance has increased since the start of 2017.
- As with performance for all claims to UC (Chart 1), performance for new claims has been affected by bank holidays and by February being a shorter month.

**About the statistics**

See 'Method of analysis' (pages 4-5).

Payment timeliness is lower when looking at new claims than when looking at all claims. Furthermore the gap between 'some payment on time' and 'full payment on time' is greater for new claims.

In both cases this is expected, as there are a number of one-off verification processes that must be completed within the first month of a claim (the first 'Assessment Period') to ensure the claimant (or both claimants in a joint claim): is eligible for UC, and is entitled to support for all elements claimed.

**Table A2: UC payment timeliness: proportion of new claims to UC Full Service that are paid on time, with estimates to September 2017**

Week commencing	Proportion of new claims to UC Full Service receiving some payment on time	...estimates for more recent weeks	Proportion of new claims to UC Full Service receiving full payment on time	...estimates for more recent weeks
02/01/17	71%		54%	
09/01/17	72%		55%	
16/01/17	70%		54%	
23/01/17	71%		55%	
30/01/17	74%		63%	
06/02/17	73%		58%	
13/02/17	71%		57%	
20/02/17	73%		58%	
27/02/17	70%		55%	
06/03/17	69%		53%	
13/03/17	71%		56%	
20/03/17	76%		59%	
27/03/17	79%		63%	
03/04/17	80%		64%	
10/04/17	83%		67%	
17/04/17	79%		62%	
24/04/17	82%		66%	
01/05/17	78%		63%	
08/05/17	81%		66%	
15/05/17	82%		68%	
22/05/17	84%		73%	
29/05/17	84%		74%	
05/06/17	86%		77%	
12/06/17	86%		76%	
19/06/17	86%		76%	
26/06/17	85%		76%	
03/07/17	84%		75%	
10/07/17	84%		75%	
17/07/17	87%		78%	
24/07/17	87%		79%	
31/07/17	88%		80%	
07/08/17		88%		80%
14/08/17		88%		80%
21/08/17		89%		81%
28/08/17		88%		79%
04/09/17		88%		80%
11/09/17		89%		81%