

Universal Credit Crunch: “It’s the implementation, stupid.”

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The National Audit Office (NAO) has come out today with a scathing report regarding the implementation of Universal Credit, the government’s flagship welfare reform programme that aims to consolidate thirty odd benefits into a single system. **Colin Talbot** has long been pointing to the problems, which he argues are largely systemic – to do with the nature of Whitehall and its ‘policy’ dominant culture.



Today’s NAO Report on Universal Credit implementation is one of the hardest hitting critiques in living memory from a usually restrained institution. I would say “I hate to say I told you so”, but I don’t “hate to say it” and I did, three years ago. But first the NAO’s verdict:

The National Audit Office has concluded that the Department for Work and Pensions has not achieved value for money in its early implementation of Universal Credit. ...

Today’s report concludes that the Department was overly ambitious in both the timetable and scope of the programme. The Department took risks to try to meet the short timescale and used a new project management approach which it had never before used on a programme of this size and complexity. It was unable to explain how it originally decided on its ambitious plans or evaluated their feasibility.”

Devastating stuff, but not unexpected, as there’s been a steady trickle of stories about UC’s problems. So Predictable. In a post [on my own Whitehall Watch](#) and [on the ‘Public Finance’ blogsite](#), in November 2010, I spelt out why the implementation of Universal Credit was likely to be a disaster. I think the broad thrust of what I said then still holds true today.

I have heard some blame being attached to Iain Duncan Smith – the funniest quip I’ve heard is “what do you expect when you send a Lieutenant to do a Generals job?” (a reference to IDS’s undistinguished military service, which he’s always made a lot of). He has certainly suffered from a large dose of hubris about what it is possible to do and on what timescales.

But, as I suggested back in 2010, the problems are largely systemic – to do with the nature of Whitehall and its ‘policy’ dominant culture. Anyway – read what I said then and make your own minds up:

“This Government could do with a notice hung in every Ministerial office saying “It’s the implementation, stupid.” This is going to especially apply to the welfare reforms unveiled by Ian Duncan Smith today [25 Nov 2010]......

[...]

The bit of the [Welfare Reform] White Paper [2010] that ought to send a chill down the spines of all involved in implementing Universal Benefit is as follows:

The Department for Work and Pensions will be responsible for the delivery of Universal Credit and will make extensive use of online technology to allow people to better manage their claim and understand the benefits of entering paid work. We expect to start taking claims for Universal Credit from October 2013.

Oh dear. Thirty odd benefits consolidated into a single system, with all the IT requirements, retraining, process design and a host of other implementation issues are going to be solved in just under three years. Really? Are they serious? Fortunately, Whitehall has such a brilliant track-record of implementing big IT projects....

Moreover DWP has very little experience of providing this stuff on-line. At present the best systems they have are on-line form filling, where the completed forms are then printed off and someone deals with them as good old paper files. They are going to jump from where they are now to integrating 30 odd systems into a web-based system in just three years? Seriously?

And of course implementation will require co-operation across several government departments, including DWP, Treasury, Communities and Local Government, etc – and again, we all know how good Whitehall is at joined-up government....

Here's just one example from the White Paper:

Recipients who have earnings from employment will have those earnings automatically taken into account. We intend to use HM Revenue & Customs proposed real-time information system to identify earnings and to calculate the net Universal Credit payment due by applying the appropriate taper to the gross payment. This means that those recipients who receive earnings through Pay As You Earn will not need to inform us for payment purposes if the amount of their earnings change.

Good luck with that.

Just think about the implementation muddles the Government has managed to generate around the relatively simple proposed change to Child Benefit and multiply that by thirty and you get some idea of the train wreck on the horizon. Just read Chapter 4 of the White Paper, and weep at the naïve optimism.

And of course, all of this requires primary legislation before they can even start to specify and sign-off development plans for the systems and technology needed to make this all work.

Please don't misunderstand, I am broadly sympathetic to the idea of simplifying benefits. I agree with the aim of people being better off in work than on benefits. I agree there are some people abusing the current systems and this should be stopped as much as possible. But the potential for disaster and what Ian Duncan Smith charmingly calls "perverse disincentives" and other disasters in this rushed reform are legion. I hope I'm wrong, but that really would be the triumph of hope over experience."