



Minutes

Title of meeting:	Universal Credit Programme Board
Date:	06 April 2017, 15:00 to 17:00
Location:	London Caxton House, Room 6.24
Attendees:	Sir Robert Walmsley (Chair), Neil Couling (Director General UC), Ian Wright (Programme Director UC), Mayank Prakash (Director General Digital), Peter Schofield (Director General Finance), Jonathan Shebioba (Cabinet Office Operations Lead), David Silk (Director HM Treasury), Ian Pavey (Director Human Resources), Susan Park (UC Operations Director General), Lesley Seary (Chief Executive LB Islington), Shelagh Brown (UC Programme Manager HMRC), Jeremy Moore (Director General Strategy, Policy and Analysis Group), John-Paul Marks (Director Operations),
Presenters:	Rob Thompson, Paul McKeown
Apologies:	Debbie Alder (Director General Human Resources), Pete Searle (Strategy Director Working Age), Andrew Rhodes (Director General Operations), Beth Russell (Director HM Treasury), Tommy O'Reilly (Chief Executive DSD Northern Ireland),

1. Welcome and Introductions

Sir Robert Walmsley welcomed members and invited them to approve the UC Programme Board minutes from the 23rd of February. The minutes were approved with a slight amendment on page 1 that had been proposed by the HM Treasury representative and agreed by the Chair as he felt it was a more accurate reflection of the meeting.

The Chair also drew the attention of board members to the btl05. This cleared the outstanding Programme Board action to issue a paper on Benchmarks as a below the line paper.

2. Programme Update

The UC Programme Director provided an update:

Rollout continues to plan. Shotton Jobcentre went live yesterday making 55 in total. Transfers of claimants from Live to Full Service are also continuing to plan with 8 sites completed. Welfare Reform changes were implemented as planned on the 3rd April. The Programme status was recommended to remain Amber.

The Programme Director then updated on some key milestones including:

July Rollout – This is Amber because of a series of activities that need to be completed to ensure logistics are in place. Delivery will be split in two for some of the largest of these 30 sites. In Phase 5 (Oct – Dec 2017), the rollout of 50 Jobcentres a month is planned to begin; it is intended to bring the decision to start this higher tempo rollout to Programme Board. This remains Amber due to the amount of work still required.

It is anticipated that Debt Management milestone should turn green soon as funding to manage debt is confirmed.

The milestone on Performance Benchmarks is Green and on track for delivery.

Telephony Routing Pilot (due to start on 11 Aug) is Amber. Costs for the Telephony Routing pilot are available, but not those for the corresponding whole life costs. Costs are expected by mid-April and a decision will be taken at PDE.

There are 3 Amber milestones within the UC Full Service Product Development Phase 3 & Phase 4 outcomes. 2 are related to Amazon Web Services, the other relates to the ability to have a Housing solution in place that will support scaling. The Landlord Portal pilot will begin at the end of April and this will inform further decisions.

Finances for 16/17 were about £3½m below forecast. Confirmed period 10 forecasts for 2017/18 have reduced by £30m as was signalled at the last Programme Board. This is due to a combination of things including reducing discretionary spend, delaying development of pension credit and managed migration, as well as the Programme's 10% efficiency challenge. These delays are not anticipated to impact on the overall delivery dates of the current plan.

Programme Board members:

a) The Chief Executive of LB Islington stated that the whole housing experience is still causing Local Authorities considerable concern, with additional work and cost being generated as a small number of people are being taken to court for repossessions due to rent arrears before the Landlords find out claimants are on UC. She stated that it will be wonderful if telephony could eventually improve things but wanted to know what is being done in the meantime. The UC Programme Director confirmed that tactical solutions are in place such as increasing human resource and tactical automation, prior to the delivery of a landlord portal. He further assured her that this issue is being closely tracked. The Chief Executive of LB Islington stressed the need to keep lines of communication open with Local Authorities regarding to this issue so that they do not become disgruntled. The UC DG agreed and confirmed that he was due to have dialogue with COSLA and the Scottish Chief Executives to understand what the reality is and what is being done about it. He also confirmed his intention to try and visit Local Authorities over the next 3 months to talk more about this.

b) The Chair pointed out that when things are not working in Full Service, staff have been

impressed with the speed of the technical response to their complaints, and asked whether an equivalent lightning conductor exists between Local Authorities and DWP. The Chief Executive of LB Islington confirmed that the lack of such an equivalent at the moment concerns her and a mechanism is required to provide appropriate responses and defuse tensions. The UC DG noted that the Partnership Forum is not working as well as it could be as it has not been good at communicating issues to the Programme directly instead trying to go directly to Local Authorities and this has proved difficult. He stated that it is necessary to communicate that problems will be fixed but the deployment of features to make improvements takes time. The UC Operations DG confirmed that all Partnership Managers will be asked to refresh what they are doing with housing partners to ensure they are joined up and confirmed that communicating with Local Authorities is an ongoing responsibility.

c) The DG for Digital stated with regards to implementation delivery that it would be good to see how support is scaled up, to know what the national support channel is and how it feeds in. He warned that all issues will need to be tracked as colleagues across DWP will not only be managing UC related issues. The Chair agreed that something could possibly be added to the dashboard but that a suggestion also needs to be made as to what can be taken out. Rob Thompson noted that the requirement for the technical end of support to be scaled commensurately is a challenge. The Programme Director suggested there may be a milestone in the pre-October Phase where that can be tested.

d) The Chair stated that if the Prove Your Identity Complementary service is ready for implementation this should produce a good enough Operational answer for the Programme to scale in October. He noted that Programme Board had approved a requirement for information assurance at level 2 as a condition for operating UC. As the complementary service arrangement will not quite reach level 2 he emphasised the need to formally approve this at Programme Board before implementation. This required appropriately authoritative advice from security specialists.

e) The Chair signalled that Phase 5 (Scaling) go live approval will be a formal decision of the Programme Board. He emphasised the need to apply maximum judgement to this decision as it is a huge step.

f) The DG for Digital stated that there are many components to considering Transaction Risking capability and suggested it may be helpful for Programme Board to be sighted on security advice from competent authorities to make the necessary decision. The Chair was in agreement that this be included in the advice required under paragraph d) above.

g) The DG for Finance queried the Green status of Prove You Can Apply. The Programme Director stated that he is confident that Verify together with the complementary service will allow the plan to be achieved. The Chair confirmed that it is justifiably Green.

h) The Chair asked whether the financial forecast included a contingency funding to recruit operational colleagues in advance. The Programme Director responded in the negative and confirmed that will be updated as part of next month's dashboard.

i) The Treasury Director asked whether there was likely to be an AME impact on the reduction of funding for pilots and trials. The Operations Director confirmed that these are not scored for AME.

j) The Chair asked how the contingency costs, budgeting and financing will be presented. The Programme Director explained that contingency had not been confirmed when the 17/18 forecast was done but that it will be included in future. The Chair asked whether this aspect could be added as a separate line on the financial and recruitment dashboard items. The Programme Director confirmed that this will be done.

k) The DG for Digital noted that money and performance are being watched in relation to KPI and made the observation that for next quarter we also need to watch availability, service hours lost, incidents and issues as we scale. The Programme Director confirmed that this information was also on the dashboard, and performance KPI and benchmarks are being tracked.

l) The Programme Director confirmed for The Treasury Director that the figure for recruitment is over 400 as we are tracking above forecast in preparation for contingency funding. The Treasury Director suggested revising the forecast or adding an additional line to reflect contingency and asked whether the percentage of payments made on time in the first month should also be tracked. The Programme Director responded that key outcomes for reporting at Programme Board have been agreed by the Programme Board but the UC DG confirmed that the data which sits behind this is available and can be shared.

m) The Operations Director stated that Operations are keen to measure service stability end to end and to know what the right measure for performance is. The Programme Director confirmed that the data is not quite a true measurement but does capture some relevant indicators.

n) The DG for Digital recommended that the Programme Delivery Executive (PDE) considers and decides on the following 3 sets of measures:

- Service hours lost from the perspective of agents
- Incident volumes
- Time to resolve problems outstanding

o) The Cabinet Office Operations Lead queried whether the measures discussed would be kept after the move to Amazon Web Services, to be used to focus on Full Service. The Programme Director confirmed that these measures will be kept until scaling in October, and then will be revisited.

p) The DG for Digital stated that red residual security risks need to be seen. He stressed that although PDE mitigates these risks, they should still remain within the sight of Programme Board. The Programme Director agreed to see what could be removed from

the dashboard to make room to incorporate this information.

q) The UC DG also noted the following.

- There has been increasing interest from the centre of Government with regards to activity in UC. This interest which includes offers of help is uncoordinated and slightly frustrating as the Programme is in good shape. This activity will require management and the UC DG is looking to Programme Board members to help with this.
- A below the line note is owed to Programme Board regarding activities and governance relating to contingency and this will be provided.
- Operations are gearing up nicely for October. Leadership is not complacent, nevertheless the feeling is positive.
- The National Audit Office are due to review the Programme in October and the UC DG met with them this morning to discuss their plan to carry out 2 parallel strands of activity for one enquiry. A follow up meeting is due in May to further discuss the scope of their review. It was also noted that a PAC review is highly likely before Christmas.

Action Point 01- 060417: Provide a below the line paper on Contingency (including decisions taken and governance) to Programme Board.

3. Operational Update

The UC Operations Director General and the Operations Director provided an update, summarising the key operational issues.

The appointment of the UC Operations DG marks a shift to ensuring achievement of UC and Operations joint ambition to develop and provide the right service for customers. This is the 2nd operational report and feedback was sought as to whether it provides the level of detail required by the Board. There has been a lot of good trajectory on some of the benchmarks on the dashboard such as commitments, and decisions taken, with case managers making the right decisions to help customers.

Areas of focus:

- A long term approach to the telephony model is required.
- The UC Ops team emphasised the importance of step testing geographic telephony routing from July 2017 once Next Generation Contact Centre is live, to integrate telephony into the case management model asap once safe to do so.
- Housing administration given current processes, noting the Landlord Portal testing is underway.
- Vulnerable customer care is a significant issue, with a sizeable minority of these

customers needing extra help. These cases take longer but front-line staff are doing great work coaching customers to be successful on-line and achieve payment. The UC External Relations and Orientation Director is drawing up a delivery plan and PDE will discuss specific outputs next week.

Programme Board members:

a) The Cabinet Office Operational Lead noted that there were not many numbers in this Operational Update but realised a balance needs to be struck between this and the dashboard. The UC Operations DG stated that it would be helpful to understand what he would like to see. She noted that her main interest lies in ensuring customers are paid on time and getting them into work. She stated that they are working through customer journeys to understand spikes, e.g. in telephony and housing payments and why they occur. The UC Operations DG emphasised that MI is available but whether it tells members what they need to know is a different matter and she would not like anyone to jump to conclusions. She stated that she would include some high level data in the update next month and the Cabinet Office Operational Lead expressed contentment to wait until then.

b) The Chair noted that Labour Market performance is one of 3 objectives for UC, and that Labour Market impacts need to be measured, with results including not just the data, but also how and by whom it has been validated. The UC DG confirmed that comparative studies are currently underway however we are running out of people to make comparisons to. He stated that there is a set of separate metrics that track Labour Market activity produced monthly which he can share. The Chair emphasised the need for validity of judgement and stated that his perception was if the Labour Market component of the Programme works well, then UC is a success. He went on to say that Labour Market impact and the efficiency of delivery should be clear, with the data presented to Programme Board.

c) The DG for Strategy, Policy and Analysis expressed a desire to understand the scale of the issue regarding vulnerable customers. The UC Operations DG explained that for the first time in relation to welfare, with 6 benefits being rolled into 1 community, the demographics of that community are being seen magnified in a Jobcentre. The Chief Executive of LB Islington noted that this situation is not new to Local Authorities and reiterated the need to be better aligned to achieve a holistic approach.

d) The DG for Digital said that the update was a good summary. He stated that the next generation contact centre will be ramped up and suggested PDE take a view regarding this in August. The UC Operations DG assured him that colleagues across DWP teams were trying to address this issue. The DG for Digital suggested that a more formal view needs to be taken by PDE in case an alternative is required.

e) The Finance DG stated with regards to efficiency that it would be helpful to identify what needs to be done to reduce unit cost and that Finance colleagues are working with UC to do this. The HR Director noted that the challenge is as much cultural as it is metrics, and equipping leaders to do this. The UC Operations DG stated that Operations' most important focus is on cultural transformation – educating every leader and ensuring understanding of case management, customer focus and doing the right things at the right time. She also said that a whole raft of activity is planned over the summer which brings

Job Centres and Service Centres together. The SRO said this is what has built his confidence and emphasised the need to support Operations in achieving goals set. The HMRC representative confirmed that HMRC leads really feel engaged and invested in. The Chair stated that it is good to remember that 'culture eats strategy for breakfast', and that it is important when trying to embed leadership attributes that leaders also understand that their delivery of customer service links to the 3 basic UC objectives.

f) The Chair noted that email volume had doubled for Housing and queried whether there was a pro-rata claimant volume increase in that period, noting it is a potential warning sign. The UC Operations DG said a deep dive is underway to understand what is driving this. The Chair requested more on this at the next meeting to help further understanding.

g) The Chief Executive of LB Islington requested more on failure demand at the next meeting.

4. Amazon Web Services (AWS) Migration Update

Rob Thompson provided an update.

Amazon is the world's largest commodity cloud provider and exhibits some extraordinary resilience characteristics which the Department can benefit from. The focus has been to ensure that the UC FS software which is highly available migrates to Amazon Web Services (AWS) to facilitate scaling whilst retaining the good performance characteristics of UC FS. Most of the software supporting high availability was built some time ago and the missing piece is to have that realised at scale by a commodity cloud provider. Build is in progress and is about 6 weeks from go-live. Day 1 benefits include:

- The Department is familiar with Disaster Recovery architecture across 2 sites – with AWS we get 3.
- The ability to scale our service on demand (within 90 seconds).
- An inherent quality of the resilience of their service is the ability to 'auto-heal'. There has not been a regional failure in over 7 years in the region we will be hosted in.
- A 30% cost saving, with the possibility for exploring other price offers.

Progress to date:

It has gone through the design phase and is now in the build, execution and test phase. From an architectural point of view, Amazon has reviewed the design, in addition to external assurance which stated this is in a good position. The Day-1 architecture is a point of transition not an end state. Automation of environment creation means we have the ability to build a production environment from scratch in 1 hour. The plan is to performance test 6 months in advance to see how the system responds to failure / OAT testing. We are confident data will remain intact and resilient under failure conditions.

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High level plan:

Notionally the expectation is for UCFS to be running in AWS by the end of May. The bulk of data migration is being done during working hours but we need at least 7 hours off-line and to fix a date for this to happen.

Risks and mitigations:

Risks	Mitigations
Network connectivity will not be available in time to meet migration in May.	A PSN connection from AWS to the DWP network will act as the contingency until the strategic network solution is available.
System performance - UC FS load and response times degrade.	Performance testing is done every week to check the loads on agent and claimant services. If an activity has more than 1% traffic a synthetic test is created. Both agent and claimant usage / behaviour is very predictable and that correlation has been strong since go-live in 2014.
Functional performance - The architecture of the service on AWS is compromised.	An architectural review has been performed by Amazon [REDACTED] and the key areas identified for redress have been put on the development backlog.
Security - The service becomes less secure in moving to AWS.	The service has been designed to be more secure with greater degrees of encryption applied to data. IT health checks have been carried out and specific AWS security risks assessed by DWP CSO.
Migration - The migration itself introduces problems for the service through data corruption.	There is the ability to build UC FS as a greenfield environment on AWS and move the majority of the data in advance, with the remaining data copied once the service is taken offline. The service can be tested behind closed doors before enabling network access. Before network access is enabled there is the option to roll back to SCC.
Resilience - The service becomes less resilient in AWS than currently experienced in SCC.	Key components in the UC FS stack have been built and tested at component level to ensure they are resilient under common cloud failure scenarios. Service level failure testing under load is planned to exercise more realistic failure models.

Programme Board members:

- a) The Cabinet Office Operational Lead noted with regards to synthetic testing, that the key activities of UC may be different in future as we move to fuller case management. Rob Thompson stated that this is the reason these tests are only done up to 6 months in advance as the structure of synthetic tests now are not what they were 2 years ago and it is impossible to guarantee that behaviours will be the same in 2-3 years. He stated that mitigation is made by taking what is known currently against forecasts and modelling accordingly.
- b) The Chair expressed concern over NCSC being involved in both designing and assessing. The Digital DG confirmed that accreditation is by an NCSC certified third party which provides an element of independence.
- c) The UC DG stated that this item was brought to Programme Board because AWS is critical, but that no decision is being sought. The idea was to provide an understanding of progress to Board members as it is a big step towards October. The Cabinet Office Operational Lead asked what else is left to enable achievement of the strategic solution after the end of May milestone. Rob Thompson stated that they would like to explore multi region connection as it is sensitive to a single region failure, and that there are some efficiencies to be made in the networking elements of the system.
- d) The Operations Director emphasised the need to work together on timing to maintain customer service, and noted that while AWS will provide greater business continuity capacity, there is the need to stress test a variety of scenarios and possible contingencies ahead of October. Rob Thompson confirmed that if the system self-heals, when something happens the timeframe for being out of action is minutes rather than days. The Operations Director said it would be good to know how long we have to wait for any auto-healing to kick in before triggering contingency.
- e) The DG for Digital summarised the update, noting that this is a world class platform with tools which the Programme can take advantage of and a huge step change that will pay dividends over the years. He stated that this is a road map of activities to be done, with availability to be maintained over a long period of time, and an active testing phase still required.
- f) The Chair acknowledged that this is still work in progress and queried how the Programme would protect itself against industrial action. The Digital DG asserted that the retail arm of Amazon is a completely separate and genuinely different business from AWS, with fewer human resources and is less sensitive to industrial action. He noted that AWS run to a budget, and is used by the CIA and US defence, and that the Department has good access to its senior executives. The Programme Director noted that AWS could probably manage the server from another country if there was industrial action in the UK. The Cabinet Office Operational Lead said HMRC is also moving to AWS and wondered whether there was an opportunity to share experiences. Rob Thompson noted that it might be better to share with DVLA as they have already completed a big shift to AWS.

The Chair asked who looks at the cross-Government impact and risks of many or even most Government Departments moving their business to AWS and noted that this is something which needs to be considered.

5. Risk Update

Paul McKeown provided an update:

As to how the Programme is reviewing how risks are reported and managed. Previously, risks were reported with mitigations and target ratings set out. The revised approach details how risks are being mitigated and links more clearly to where the project will be and to critical outcomes, linking resourcing / contingency and milestones in the delivery plan so that the expected flight path can be seen.

The update focused on readiness to scale in October but the Programme recognises that October is only the start of the process and volumes will continue to rise, so there is also the need to look at the longer term risks. The newly identified prospective areas of long term risk (Annex 2) relate to:

- The ability to implement a Strategic Telephony solution as we continue to scale the service.
- The UC journey for claimants beyond Assessment Period 1 and management of multiple changes to claimants conditionality over time.
- Any potential Brexit impacts relating to policy or additional austerity measures which may impact AME/DEL.
- Longer term system outages not catered for as part of existing business continuity arrangements.
- Other unknowns for which we may need to develop additional contingency arrangements.
- Meeting the needs of vulnerable claimants and those with complex needs.
- The effectiveness of our telephony strategy and our ability to route calls to case managers.
- Effectively managing the volume of decision making required as the scale of the service increases

Programme Board members:

- a) The Programme Director stated that this has been to PDE and that members of that forum were impressed and content with it.

- b) The UC DG stated that he found Annex 2 the most interesting part of the presentation as the ability to project ahead and fix things before they become an issue is critical. He highlighted in particular the last bullet point on Annex 2, and stated that he would like to take risk work for the Programme more into the future. The HMRC representative said that HMRC use a similar approach which has paid dividends, and agreed with the proposal to raise risks for Programme solutions.
- c) The Operations Director expressed approval of the approach as it is good to see into the future. He stated that the ability to track from enablers, to cost, through to performance is key for Operational confidence, and requested the following addition to Annex 2 – ‘capacity to verify evidence in the 1st assessment period is key’. He also stated the need for a complete plan that is convincing.
- d) The Cabinet Office Operational Lead noted that the Annex 2 risks are probably more medium than long term and the need to keep a view of all risks to the end of the Programme.
- e) The Chair liked the flightpath and burn down of the score and picked up the point that risks are owned by the Programme but mitigated more widely, which gives a bigger sense of ownership of the mitigation activity. He also expressed a desire to know who is responsible for mitigation (‘owners’) and asked for this to be defined by name in future updates.

6. Hard Facts

- a) The importance of Verify complementary system for Identity being available by the end of June.
- b) The importance of moving to Amazon Web Services by the 31st of May.
- c) The Chair commended the efforts the SRO continues to make to manage the liaison with Local Authorities around Housing Benefit, but it is a challenging issue

7. Any Other Business

The Digital DG stated that a lot of hard work has been expended to get the Programme where it is and that it now needs to be willed over the line and that all Programme Board members have a responsibility to help the UC DG with this. The Chair noted that he has never met a Programme team with more determination to succeed than UC.

The next Programme Board meeting will be on Thursday 18th May; this change in cycle is due to the Easter holiday period and ensures no more than a 6 week gap between meetings over this period.

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