

To: UC Programme Board

From: [REDACTED]  
Sponsor [REDACTED]  
Author: Paul Mckeown

Date: 12th May 2017

**Update on the recommendations from the  
IPA Assurance Action Plan (AAP) Review 2<sup>nd</sup> and 3<sup>rd</sup> March 2017**

**Summary**

- This paper provides the UC Programme Board with an update following the recent Infrastructure and Projects Authority (IPA) Assurance of Action Plan (AAP) two day review in March 2017. The agreed scope of the review was narrow and focused only on the progress against the nine previous recommendations from the September 2016 health check.
- Programme Board should note that as part of the review the Review Team chose to extend the scope to provide an assessment against four critical success factors identified during the September health check and also make a judgement about July readiness. We counselled they were not equipped to do that, and it was too early to try and make this call. This paper provides a progress update and sets out for Programme Board how events have moved on. We think it is important for the Programme to respond, given this report will form part of the “fossil record of UC”.
- The paper updates Programme Board on the seven new recommendations resulting from the Infrastructure and Projects Authority (IPA) Assurance of Action Plan (AAP) Review.
- Against these seven recommendations, the Programme considers six are now implemented and ready for closure with the remaining one currently on track with good progress being made towards expected closure in advance of scaling in October 2017.
- In addition, the IPA reviewed progress against nine previous recommendations from the September 2016 IPA Health Check and agreed closure for six. A further three remain open with good progress being made towards expected closure ahead of October scaling.

**Introduction**

1. The purpose of this paper is to inform Programme Board members of the recommendations that were made at the latest Infrastructure and Projects Authority (IPA) review of the UC Programme (the Assurance of Action Plan (AAP) Review) and to provide an update on progress made to date against these recommendations. A copy of the report is attached to this paper.

## Background

2. The IPA AAP Review was undertaken on the 2<sup>nd</sup> and 3<sup>rd</sup> March 2017. The scope was to review progress made against the findings and recommendations made at the previous IPA Health Check in September 2016 (shown in Annex 1).

3. Whilst the scope was agreed up front with the IPA, as the review progressed it became clear that the review team were going beyond that scope in their questioning and examination. This included assessing progress against four critical success factors.

- Automation and Full Service capability.
- A stable, high performing and resilient IT system.
- Operational MI hierarchy sufficient to drive the business.
- A workable ID assurance solution.

4. The Review Team acknowledged the good progress made as the rollout of Full Service continues to plan, but stated there is still more to do at this stage, which the Programme recognises, as we are focussed on ensuring readiness for October and it is too early to make judgements on readiness over a two day period.

5. Since the review was undertaken, much progress has been made and whilst not within the scope of the review we have provided Programme Board with the latest position across all the four critical success factors:

**CSF1: Automation and Full Service capability** – *Case Management is not yet embedded in Service Centres and requires major cultural transformation. A lack of automation means more manual processing is required of operations, affecting unit costs and leading to large variations in performance and backlog of work across the service.*

**Progress Update:** Embedding Case Management is going well, and is on track to be rolled out across all locations by the end of May. The progress has translated to improved performance, and supported by positive measures of improvement, including reductions in telephone calls, increased payment timeliness and a reducing Head of Work. This progress has been supported with a strong partnership across the Programme and Operations, with an agreed prioritisation of further features to be delivered ahead of October. The Review Team looked at operational data to inform this assessment. I have set out in the table at para 6 what this data now is, as reflecting the progress against this criterion.

**CSF 2: A stable, high performing and resilient IT system** – *The plan to transfer to Amazon Cloud hosting has been delayed (from February to May 2017) but will be available for the Phase 4 July sites as planned. A contingency to provide connectivity has been tested to prove it can cope with the expected volume increase in July.*

**Progress Update:** The move to Amazon Web Services is a key enabler, the delivery plan is clear and has been agreed through Programme governance and is on track. We have agreed with Operations that the migration will take place over the weekend of the 3<sup>rd</sup> and 4<sup>th</sup> of June. As with all good Programme Management we have an agreed contingency plan should this be required, in that we can remain within the current SCC platform beyond July and October with volumes having been tested until July 2018.

**CSF 3: Operational MI hierarchy sufficient to drive the business** – *Scaling Criteria agreed and are largely in place, although there are still gaps in the detail below this (e.g. Case Progression) and it was not clear how these will be used to inform decision making for 'Go/No Go' in October.*

**Progress Update:** The Programme has developed a set of critical outcomes and associated metrics which have been agreed through Programme Board. The measures and metrics are continually reviewed and over recent months we have commenced reporting on a number of new metrics to improve our readiness assessments, e.g. Payment timeliness and Case Progression. These are regularly reported through the Transformation and Planning Group on a fortnightly basis. The Programme has also recently been subject to an Internal Audit Review looking at the programme controls and governance around Full Service. The initial findings have been very positive in confirming the sufficiency and quality of our controls to inform scaling decisions. The formal report from this review is due on the 19<sup>th</sup> May. The Programme Board agenda for its September meeting has been cleared so we can review progress and offer advice to the SRO about the go/no go decision on expansion.

**CSF 4: A workable ID assurance solution** – *Verify cannot deliver sufficient levels of proving claimant identity. A complementary solution has been invoked to be available for integration with the Full Service product from July, but even adding this may not deliver the performance improvements required in time.*

**Programme view:** We are continuing to make good progress in this area. Early indications are that the Complementary Service is performing well and will be sufficient to support scaling. Whilst small in scale, a recent test with fourteen claimants, of the Complementary Service design demonstrated positive results with eleven successfully having their identity verified remotely (equating to a 78% success rate). The delivery plan remains on track. As a further mitigation we have amended our assumption for remote verification for 17/18, which has been reflected in the Operational resource allocations

6. The following table provides further details of some of the key metrics that support the above updates:

Measure	January	May
UC Caseload FS	82359	125,000
Percentage of calls answered	83.10%	95%
Call waiting time	9 minutes	1.30 seconds
Offices rolled out	44	63
Claimant Commitment accepted within 10 days	46%	61%
Unit Cost	£963	£793 (MAR)
Telephone volumes to forecast	+44%	+3%
Payment related 'To Dos/days	1.1 days	0.6 days
Cleared To Dos in week	172868	210685
Autopay	53%	80%
Verify	30%	30%
Evidence verified in 20 days	52%	61%
% of service centre staff doing case management	10%	93%

\*AAP Report erroneously showed this at 35%

7. In addition to the progress outlined above, the Programme has conducted the normal readiness assessment for the expansion between May to July. This assessment is informed by a wide group of stakeholders including Operations and IPA colleagues. The overall assessment for the May and June expansions was Amber/Green with July being rated as Amber.

8. Since the assessment, and as we have done previously, we have split some of the postcodes within the July expansion in large sites. This provides further mitigations. Based on the data and evidence outlined above the Programme is confident in its ability to successfully complete the next phase of expansion, but expects to continue to learn through this period. We remain on track to commence scaling the service in October

Progress against September Health Check Recommendations

9. The Review Team recognised the good progress that had been made and endorsed that many of the recommendations were now closed.

In conclusion the Review Team:

- agreed the closure of six of the nine recommendations from the September IPA Health check (these are shown at annex 1); and,
- made a further seven recommendations (shown at Annex 2)

#### Progress Update against the Latest Recommendations

10. A summary of progress against both sets of recommendations is shown at Annex 1 and 2. The Programme's current view is that:

- Against the three recommendations from the **September Health Check** that remain open, progress remains on track and these are expected to be fully implemented in advance of scaling in October 2017 (see Annex 1); and,
- Against the seven new recommendations from the **March IPA AAP Review**, the Programme considers that **six** recommendations are now implemented fully and ready for closure\*. The remaining **one** recommendation is currently on track with good progress being made towards full implementation in advance of scaling in October 2017 (see Annex 2).

*\* Formal closure of the above **six** recommendations is currently being requested from the IPA.*

#### **Action**

To note the contents of this paper, for information only.

#### **Timing**

Routine - as a below-the-line paper for the Programme Board meeting on 18<sup>th</sup> May 2017

### September 2016 IPA Health Check Recommendations

The table below summarises progress against the previous recommendations:

No	Recommendation	Priority Level	Do by	Progress
1	Refine internal and external stakeholder communications to communicate a clear and compelling narrative about UC	High	Oct 17	<b>Ongoing</b> - We will continue to test and demonstrate effectiveness of all communications in the run up to scaling in October 17.
2	Agree clear decision points with HMRC to ensure both DWP and HMRC are aligned fully on plans to deliver key milestones and mitigate any risk	High	Dec 2016	<b>Complete</b> – Plans discussed and agreed covering transition and managed migration.
3	Set de minimis targets for auto-calc & auto-pay	Critical	March 2017	<b>Complete</b> – Metrics set and form part of scaling entry criteria.
4	Operational MI, sufficient to drive the business, to be in place before scaling	Critical	March 2017	<b>Complete</b> – MI on scaling entry criteria and reviewed regularly at PDE & OET. Strategic MI solution now in place
5	Put Operational business continuity plans in place	High	Dec 2016	<b>Complete</b> – Testing of the remaining products will be carried out
6	Review the role and structure of the ICC	Medium	Dec 2016	<b>Complete</b> – ICC will evolve as we scale
7	Review and refresh the MVP, re-introduce 'Red Lines', and refine Entry & Exit criteria	Critical	Dec 2016	<b>Complete</b> – IOM and Critical Outcomes signed off. Scaling Entry Criteria being refined
8	Programme Board, and Operations, to be assured that the performance of the system will be fit for purpose.	Critical	Oct 2017	<b>Ongoing</b> – Continual monitoring and reviewing in place
9	Programme Board to review Verify performance, improvement	Critical	Oct 2017	<b>Ongoing</b> – Continual review and testing in

	and contingency plans.			place
--	------------------------	--	--	-------

## IPA Assurance Action Plan Review (March 2017) Recommendations and progress update

Annex 2

Ref No	Recommendation	Update / Status	Critical / Essential / Recommended	Classification
1	The programme team should reconfirm and communicate the Full Service development priorities, leading up to July and beyond, to provide clarity to the development teams, programme team and operational teams. This should ensure that there is clear communication to staff in Job Centres and Service Centres about upcoming functionality enhancements.	<p><b>Status:</b> The Programme considers that this recommendation is now <b>closed</b> due to the improvements that have been made since early March.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>▪ The Programme is communicating with Operations through a range of channels driven from governance forums eg regular TPG updates against the exit criteria / regular communication updates to, and within, Operations.</li> <li>▪ UC Operational Executive team now in place with Programme representation</li> <li>▪ October 2017 Interim Operating Model agreed through Programme governance</li> <li>▪ 17/18 resource plan including contingency agreed and funded</li> <li>▪ The Backlog is visible and communicated through these channels.</li> <li>▪ The Programme is responsive to operational needs and works closely with Operations to prioritise against planned work e.g: Landlord Portal</li> </ul>	Critical (As soon as possible)	Stakeholder Management
2	The programme team should gain assurance that the significant recruitment and on-boarding processes leading through to October 2017 and beyond are appropriate (e.g. scaleable and sustainable).	<p><b>Status:</b> The Programme considers that good progress is being made however recommends that this remains <b>open</b> and is reviewed throughout the summer as the Programme moves towards scaling.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>▪ Resources plan agreed and confirmed at PDE in last week in April.</li> <li>▪ The plan is being monitored as part of the go-to-green plans and scaling reports.</li> <li>▪ Recruitment and L&amp;D plans currently on track.</li> <li>▪ Currently trialling a fast track recruitment approach.</li> <li>▪ Fortnightly update provided to Operational Executive Team (OET).</li> </ul>	Critical (Ongoing)	Change Management and Transition



OFFICIAL SENSITIVE

3	<p>The programme team should ensure that they take every opportunity to learn lessons formally and informally from Full Service operational experience and to continuously assess the approach to rollout in light of this experience.</p>	<p><b>Status:</b> The Programme recommends that this can now be <b>closed</b> due to the fact that a rigorous process for feeding back learning from Full Service operational experience is embedded and working effectively.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>▪ The UC Case Management approach was tested and rolled out in Canterbury Service Centre. A 'seed' team was then planted in every other Service Centre to grow and roll out Case Management</li> <li>▪ Five Service Centres are fully rolled out, with the remaining two Service Centres to be rolled out by 15th May.</li> <li>▪ Key customer performance metrics are showing an improvement and early indicators suggests this performance will be sustained: <ul style="list-style-type: none"> <li>– Telephone calls have reduced;</li> <li>– Payment timeliness has increased; and the</li> <li>– Backlog of work is reducing.</li> </ul> </li> <li>▪ Building on Case Management the next stage of improvement will be the introduction of integrated telephony.</li> <li>▪ In addition, a general feedback mechanism (via single points of contact) is working well, with issues and improvement ideas fed continually into the Caxton House Design team.</li> </ul>	Critical (Ongoing)	Stakeholder Management
4	<p>The programme team should develop and implement (through simulation if appropriate) a Business Continuity test programme.</p>	<p><b>Status:</b> The Programme recommends that this can be <b>closed</b> as the Business Continuity test programme is now embedded in UC Plans.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>▪ The Programme has planned for end-to-end business continuity testing to be completed by end of May 17.</li> <li>▪ A comprehensive set of Business Continuity Scenarios have been developed and agreed through governance, including remedial action to be taken.</li> <li>▪ Further work ongoing work is planned to develop a process for handling a Full Service outage over a prolonged period with the ability to pay claimants.</li> </ul>	Recommended (June 2017)	Technology

OFFICIAL SENSITIVE

5	<p>The programme team should review the Scaling Criteria and underlying data to ensure that the design and presentation of metrics is user friendly and therefore aids decision-making.</p>	<p><b>Status:</b> The Programme recommends that this can now be <b>closed</b> as the review activity is being carried out on an ongoing basis.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>▪ The Programme continuously reviews the scaling criteria and metrics, via governance, to ensure they are appropriate.</li> <li>▪ This review process has led to further metrics being added in recent weeks, including: <ul style="list-style-type: none"> <li>– Payment timeliness;</li> <li>– System generated error data;</li> <li>– Payment accuracy figures and</li> <li>– Housing costs.</li> </ul> </li> <li>▪ The Programme has held further detailed sessions with various stakeholders including IPA, Internal Audit and HMT.</li> </ul>	Critical (April 2017)	Governance
6	<p>The programme team should consider refreshing the design of the Scaling Events and Delivery Readiness Groups, to maximise the opportunities for robust challenge.</p>	<p><b>Status:</b> The Programme recommends that this can now be <b>closed</b> as the review of DRG is now completed and outcomes implemented.</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>▪ The Programme has reviewed the Scaling events and DRG.</li> <li>▪ A number of options were considered and range of improvements made, including: <ul style="list-style-type: none"> <li>– <b>Moving to a joint Chair arrangement</b> – by senior colleagues from UC Programme Planning &amp; Assurance and UC Operations.</li> <li>– <b>Refreshed Membership</b> to ensure the membership closely aligns with those accountable for scaling. Also including key assurers from IPA and Internal Audit.</li> <li>– <b>Renewed focus on the Scaling Status Report</b> to consider the status of each individual Critical Outcome. It will be for TPG to discuss and agree the overall status of the Service and make Go / No-Go recommendations to PDE.</li> <li>– <b>Scaling Assurance events will be held at key points</b> in the development and deployment of the Service (e.g. scaling assessments June / Sept);</li> <li>– <b>The group’s name has changed</b> to ‘the UC Internal Delivery Healthcheck Group’ (IDHG with first meeting on the 23/5).</li> </ul> </li> </ul>	Critical (As soon as possible)	Governance

OFFICIAL SENSITIVE

7	In light of the new e2e governance arrangements in Operations and learning/experience gained from the programme, at an appropriate point in the programme, DG UC and DG UC Operations should review the future role of the Implementation Control Centre.	<p><b>Status:</b> The Programme recommends that this can now be <b>closed</b> as plans are in place to integrate the ICC with the OCC in 2018</p> <p><b>Evidence:</b></p> <ul style="list-style-type: none"> <li>▪ The longer term plan is to integrate the role of the ICC into the Operational Control Centre (OCC)</li> <li>▪ A milestone has been included on the UC plan</li> <li>▪ In preparation for this the OCC is currently strengthening its capability and management information and stress testing each function.</li> </ul>	Essential (June 2017)	Governance
---	---	--	-----------------------	------------

**Critical (Do Now)** – To increase the likelihood of a successful outcome it is of the greatest importance that the project should take action immediately.

**Essential (Do By)** – To increase the likelihood of a successful outcome the project should take action in the near future.

**Recommended** – The project should benefit from the uptake of this recommendation.





## 2. OGC Gateway™ Assurance of Action Plan

<b>Version number:</b>	Final
<b>Senior Responsible Owner (SRO):</b>	Neil Couling
<b>Date of issue to SRO:</b>	3 May 2017
<b>Programme Title:</b>	Universal Credit
<b>Department of the Programme</b>	DWP
<b>Review dates:</b>	2 <sup>nd</sup> - 3 <sup>rd</sup> March 2017
<b>Review Team Leader:</b>	Fiona Driscoll
<b>Review Team Members:</b>	████████ Cabinet Office ████████, DWP
<b>Previous Review:</b>	Health Check - September 2016
<b>IPA ID number:</b>	
<b>GMPP ID number (For IPA use only):</b>	[Insert number]

**This assurance review was arranged and managed by:**

Infrastructure and Projects Authority  
HM Treasury Building  
1 Horse Guards Road  
London  
SW1A 2HQ

**Gateway helpdesk:** [gateway.helpdesk@ipa.gov.uk](mailto:gateway.helpdesk@ipa.gov.uk)

More information about the Infrastructure and Projects Authority and guidance for central government bodies on the requirements for integrated assurance and approvals is available from:  
<https://www.gov.uk/government/organisations/infrastructure-and-projects-authority>



## Executive Summary

Good progress continues to be made and the rollout of the Full Service continues to plan, e.g. 49 Job Centres operating the Full Service, 9 UC Service Centres, 450,000 claimants on caseload, of which 43% are employed (as of January 2017).

This AAP assessed progress against the issues identified in the September Healthcheck and recommendations made at that time. Good progress has been made, and many recommendations are complete. The 2017 Interim operating Model and the Scaling Entry Criteria ('Red Lines') are agreed, with good progress being made on developing Scaling Criteria and reporting metrics, but there is more to do. Delivery of the Welfare Reform digital products appears on track and of good quality, but there are ongoing questions around the prioritisation of these features. The HMRC relationship is working well and the change in DWP governance, with the appointment of a DG UC Operations, should further support e2e delivery. Sensible contingencies (e.g. £47m funding agreed for pull-forward recruitment, complementary identity service to support Verify) have been agreed and planned.

The AAP also assessed progress against 4 critical success factors identified during the September Healthcheck, specifically related to the intent of rolling out Full Service at scale (30 Job Centres) during July 2017. During July, the UC Full Service will be stressed more severely than it ever has been before. Here, the RT judges that successful delivery is in doubt with major risks or issues apparent in key areas. The main issues (summarised below) are known to the programme team and being addressed, but progress has not yet been sufficient to give the RT full confidence that UC will be ready for this scale of change.

Automation and Full Service capability – Case Management is not yet embedded in Service Centres and requires major cultural transformation. A lack of automation means more manual processing is required of operations, affecting unit costs and leading to large variations in performance and backlog of work across the service.

A stable, high performing and resilient IT system – The plan to transfer to Amazon Cloud hosting has been delayed (from February to May 2017) but will be available for the Phase 4 July sites as planned. A contingency to provide connectivity has been tested to prove it can cope with the expected volume increase in July.

Operational MI hierarchy sufficient to drive the business – Scaling Criteria agreed and are largely in place, although there are still gaps in the detail below this (e.g. Case Progression) and it was not clear how these will be used to inform decision making for 'Go/No Go' in October.

A workable ID assurance solution – Verify cannot deliver sufficient levels of proving claimant identity. A complementary solution has been invoked to be available for integration with the Full Service product from July, but even adding this may not deliver the performance improvements required in time.

---

**OFFICIAL SENSITIVE**

Page 14 of 32

This report is an evidence-based snapshot of the programme's status at the time of the review. It reflects the views of the independent review team, based on information evaluated over the review period, and is delivered to the SRO immediately at the conclusion of the review.



**Summary of Report Recommendations**

The Review Team makes the following recommendations, which are prioritised using the definitions below:

Ref. No.	Recommendation	Critical/ Essential/ Recommended	Classification
1	The programme team should reconfirm and communicate the Full Service development priorities, leading up to July and beyond, to provide clarity to the development teams, programme team and operational teams. This should ensure that there is clear communication to staff in Job Centres and Service Centres about upcoming functionality enhancements.	Critical (As soon as possible)	Stakeholder Management
2	The programme team should gain assurance that the significant recruitment and onboarding processes leading through to October 2017 and beyond are appropriate (e.g. scaleable and sustainable).	Critical (Ongoing)	Change Management and Transition
3	The programme team should ensure that they take every opportunity to learn lesson formally and informally from Full Service operational experience and to continuously assess the approach to rollout in light of this experience.	Critical (Ongoing)	Stakeholder Management
4	The programme team should develop and implement (through simulation if appropriate) a Business Continuity test programme.	Recommended (June 2017)	Technology
5	The programme team should review the Scaling Criteria and underlying data to ensure that the design and presentation of metrics is user friendly and therefore aids decision-making.	Critical (April 2017)	Governance
6	The programme team should consider refreshing the design of the Scaling Events and Delivery Readiness Groups, to maximise the opportunities for robust challenge.	Critical (As soon as possible)	Governance



7	In light of the new e2e governance arrangements in Operations and learning/experience gained from the programme, at an appropriate point in the programme, DG UC and DG UC Operations should review the future role of the Implementation Control Centre.	Essential (June 2017)	Governance
---	---	-----------------------	------------

**Critical (Do Now)** – To increase the likelihood of a successful outcome it is of the greatest importance that the project should take action immediately

**Essential (Do By)** – To increase the likelihood of a successful outcome the project should take action in the near future.

**Recommended** – The project should benefit from the uptake of this recommendation.

### Comments from the SRO

Reviewing a major Programme like Universal Credit across a two-day period is a very difficult task. The MPLA teaches that the leadership and effective execution of major Programmes require judgements and choices and not the supposed clarity of simple absolutes or the application of preconceived attitudes. By contrast many of those reading reviews from outside crave clarity and definition and have a desperate need for an answer to the question "will everything be all right?" A better question to ask is how set up for success is the Programme but, take it from me, it is hard to get the wider community to understand that. So on reviewers, as well as leaders of major programmes, there's a heavy burden to resist the urge to make superficial, pseudo definitive point of time judgements and simplistic recommendations, recognising the limitations of the review process and the risks that a poorly conducted review can give to Programme delivery.

The IPA deserves credit for attempting to swim in these shark-infested waters. As SRO I am grateful to those who attempt this most difficult of tasks and to the reviewers of UC in particular. It is a near impossible task to review something as big as Universal Credit in such a short timescale. This review was of course narrower in scope, focussed on the progress of the Programme against recommendations made in September 2016 and needs to be read in that context. This review cannot make the judgement some will seek being both too early and ill equipped to do that.

We shall of course reflect on its findings. The Programme has some big decisions to make in September and it committed to making them in a transparent and objective way, as we have always done, balancing risk with a realistic assessment on what we can cope with or where we will be. Our focus continues to be on setting up for success and tackling the many issues we face in the order and in





time so that execution can be realised. We know we have a bit still to do, we always emphasise that, but there is time and the resources put at our disposal second to none. So we remain confident, resolute and focussed. We are not there yet, but then again it isn't September yet either. We are in good shape and spirits remain high, issues look resolvable and whilst past investment performance can be no guide to future returns, I as the UC SRO, draw comfort from our track record of success over the last two and a half years.



**Scope of the Review**

To review progress against the main finding of the Health Check:

“...that the Programme should re-focus on delivering the MVP for Full Service’ and four supporting critical success factors:

- Automation and Full Service capability;
- A stable, high performing and resilient IT system;
- Operational MI hierarchy sufficient to drive the business; and
- A workable ID assurance solution.”

*Health Check Report quote: ‘If these are not in place by March 2017, the RT advises that the Programme Board should consciously decide not to move to the scaling event in July 2017’.*

To review progress against each of the specific recommendations made in the Health Check Report listed below:

	<b>Recommendation</b>	<b>Criticality</b>	<b>Do by</b>
1	Refine internal and external stakeholder communications to communicate a clear and compelling narrative about UC	High	Dec 2016
2	Agree clear decision points with HMRC to ensure both DWP and HMRC are aligned fully on plans to deliver key milestones and mitigate any risk	High	Dec 2016
3	Set <i>de minimis</i> targets for auto-calc & auto-pay	Critical	Mar 2017
4	Operational MI, sufficient to drive the business, to be in place before scaling	Critical	Mar 2017
5	Put Operational business continuity plans in place	High	Dec 2016
6	Review the role and structure of the ICC	Medium	Dec 2016
7	Review and refresh the MVP, re-introduce ‘Red Lines’, and refine Entry & Exit criteria	Critical	Dec 2016
8	Programme Board, and Operations, to be assured that the performance of the system will be fit for purpose.	Critical	Mar 2017
9	Programme Board to review Verify performance, improvement and contingency plans.	Critical	Mar 2017



## **Acknowledgement**

This Review was carried out from 2-3 March 2017 at the Department for Work and Pensions, Caxton House, London. The team members are listed on the front cover.

The Review Team would like to thank the Programme Team for their support and openness, which contributed to the RT's understanding of the programme and the outcome of this review. We would also like to thank all those we interviewed for their openness and honesty, and [REDACTED] for his efforts in organising an effective review.

**Annex A** lists the people who were interviewed during the review.

## **Background**

### **The aims of the programme:**

The objectives of Universal Credit are to:

- increase labour market participation, reduce worklessness and increase in-work progression;
- support people moving into work by aligning their experience of UC to the world of work;
- modernise the delivery of welfare benefits by providing an easy to use, simple service;
- reduce fraud and error, improve administrative efficiency and provide value for money to the taxpayer, and;
- provide an effective safety net that recognises the needs of claimants, reduces poverty and ensures fairness.

### **The procurement/delivery status:**

There are no significant procurement activities remaining. The next major Live Service release is expected in April to deliver the Welfare Reforms agreed during summer 2016. Agile delivery of the digital Full Service continues, managed through an in house development team.

### **Current position regarding previous assurance reviews:**

An IPA Healthcheck Review was undertaken in September 2016, with a resulting delivery confidence rating of "Amber". A summary of recommendations, progress and status from the Healthcheck can be found in **Annex B**.



## **Health Check**

The September 2016 Healthcheck reviewed the programme's status in the context of the revised delivery plan and policy package agreed by Ministers in July 2016. The revised plan resolved contention in the UC plan driven by a number of significant and complex changes since the OBC was baselined in November 2014. These included changes from the Summer Budget 2015 and Spending Review 2015 on Welfare Reform initiatives, and Devolved Administration flexibility requirements.

That review took place in the context of the Tranche 1 rollout of the Full Service from May to July 2016. It was used to inform approval decisions at UC Programme Board in September 2016 and to provide assurance to the Office of Budget Responsibility (OBR) that there would be no additional delays to the revised timetable, nor changes to the agreed policy package.

## **Review Team findings and recommendations**

### **1. Progress Since the September Healthcheck**

1.1 Full Service Rollout: The RT saw that the Full Service continues to rollout to plan, i.e. at 5 (or 6) Job Centres per month. At the time of the review, 49 Job Centres and 9 Service Centres had gone live with the Full Service. The RT was told that there are now 450,000 claimants (figures for January 2017 covering both Live and Full Service) on the UC caseload, of which 43% are employed.

1.2 Progress since the Health Check: The RT found that progress has been made, but work is still required to ensure that all the recommendations from the September 2016 Healthcheck have been fully addressed. Further, significant operational issues have since arisen with the implementation of the Full Service. Progress on the 4 critical success factors identified during the Healthcheck has not yet been sufficient to give the RT full confidence for the Phase 4 July 2017 rollout of 30 Job Centres.

1.3 The programme recognises the following key scaling risks:

- Resource model risks – delivering contingency volumes
- MI delivery – moving away from a tactical to a strategic MI approach
- Embedding Case Progression in Operations
- Managing Telephony volumes
- Channel efficiency
- Journey for vulnerable customers
- Journey for customers with housing
- DMA

---

**OFFICIAL SENSITIVE**

Page 20 of 32

This report is an evidence-based snapshot of the programme's status at the time of the review. It reflects the views of the independent review team, based on information evaluated over the review period, and is delivered to the SRO immediately at the conclusion of the review.



## **2. Critical Success Factor: Automation and Full Service Capability**

2.1 Transformation of the UC Full Service is predicated on functionality improving in a timely fashion. The RT saw evidence that the quality of the Full Service being developed was high and did not hear any concerns about the errors or bugs in the releases, which are issued to a regular drumbeat of 1-2 weeks.

2.2 Also, the digital development team has successfully moved to co-locate in Caxton House. The development team is to be congratulated on maintaining the quality despite this disruption.

2.3 The RT saw a top-level backlog schedule covering the next six months, which appears to map to the iterations of the Interim Operating Model. The primary focus is on delivering the significant Welfare Reform work through to April. Work has then been re-prioritised on driving e2e system behaviour and streamlining the first phase of claimant contact. However, despite this being an Agile build, the RT were less clear on which features would be delivered when and the relative priorities amongst the features required to be delivered over the next six months.

2.4 The RT heard evidence of differences of opinion between the operational, development and UC programme teams, about which features of the Full Service should be prioritised for automating. The scaling criteria set out the features that will be delivered for October 2017 and they have been agreed with Operational colleagues. There were consistent messages about the need for significant and swift improvements in automation and Full Service capability that operational staff saw as key enablers for delivery. These include:

- Automation of self-reported earnings online (telephony volumes);
- Improved automation of payment calculation (for excluded claimant types, e.g. those with debt);
- Automation of third-party deductions, and;
- Automation of Housing verification and stakeholder communication process.

2.5 There was limited time to explore these differences of opinion fully during this review and the RT are not in a position to make a judgement call on this, but these views were strongly expressed. The RT recognise that there is a healthy tension, operational needs must be balanced with the need to deliver a secure and stable service, but felt they are worth playing back. The RT also found evidence of some frustrations from operations about not knowing what was coming down the line, concern about a potentially increasing burden of change and need to keep pace with a continuously changing service. The RT believe there is a task to reaffirm and



clearly communicate the development priorities, as the challenges in operational delivery are not all down to their own processes.

**Recommendation 1: The programme team should reconfirm and communicate the Full Service development priorities, leading up to July and beyond, to provide clarity to the development teams, programme team and operational teams. This should ensure that there is appropriate communication to staff in Job Centres and Service Centres about upcoming functionality enhancements.**

2.6 The RT found that operational delivery challenges have emerged since the September 2016 Healthcheck. While rollout continues to plan, transformation, after 58 offices, has been revealed as more difficult and complex, and hence more expensive, than had been forecast. The RT also found that operational case progression metrics were not performing to target. Currently only 46% of new claimants accept their Claimant Commitments within 10 days, only 52% of new claimants' evidence is verified within 20 days, and only 51% of cases needing decisions have those decisions made within 25 days.

2.7 There is also significant regional variation from Job Centre to Job Centre on all of these measures (commitment: 23% - 82%; evidence: 10% - 84%; decision: 0% - 75%). The RT also found that issues remain with the early stages of the claimant journey, e.g., the 'first appointment' is taking considerably longer than initially estimated (up to 2 hours rather than the planned 40 minutes). Job Centres are responding in an inconsistent way, but this variation (around the current average of 42 minutes) has been factored into the resourcing model and the programme team believe the range is currently tolerable.

2.8 Backlog: The RT heard that there was a backlog of critical tasks among those offices offering Full Service; indeed that the earlier adopters, in spite of the primary focus and support given to them, were further behind than the newer offices. The RT heard of a remediation programme designed to clear the backlog within two months, but it was not possible to judge whether this timescale was achievable. The RT heard a number of possible explanations for this backlog:

- Functionality not available, leading to more manual processing;
- The IOM has not been implemented consistently;
- The cultural challenge of transformation had been significantly underestimated, and;



- Tasking of Job Centre and Service Centre staff has not been end-to-end, which has promoted more legacy style behaviours, e.g. not completing 'To Do's' for their own cases.

2.9 The RT noted recent changes to UC operational governance; the appointment of a DWP UC Director Operations, to pull together the Service Centres and Job Centres under a single leadership team. The RT considers that these new arrangements give the programme the opportunity to move forward with a genuinely e2e service, building on the learning of the experience so far and addressing the issues identified above.

2.10 Unit Cost: One of the programme's Scaling Entry Criteria relates to unit cost. Although the general trend shows that this is falling steadily towards the target (c. £250 by May 2019), latest figures indicate that unit costs were running at £963 during January 2017. This is a significant decrease from £1,750 in April 2016, but is still around £500 over the programme's (pre-welfare reform) prediction for January 2017.

2.11 Some aspects of channel shift are trending above expectation in respect of reporting changes of circumstances and making on-line claims. However, others are yet to be fully embedded (e.g. consistent use of the journal for the majority of claimant contact). As a result, customers are defaulting to telephony channels, increasing the cost to the programme. Even with the addition of the ring-fenced Belfast telephony team, customer demands for telephone contact in the week of the review were outstripping forecasts by 44%.

2.12 Targets for auto-calc and auto-pay have been agreed as part of the Scaling Criteria. Current performance shows that only 35% of payments are automatically calculated and paid, against a Scaling Criteria target of 65% by October 2017. Whilst performance is currently below target, the RT understood that features already prioritised within the backlog (e.g. allowing claimants with debt to be paid automatically) should improve performance once delivered. However, from the evidence provided the RT could not determine when these performance improvements were due to be delivered or what level of increase in actual performance was expected.

2.13 The RT saw that the SRO has recognised these challenges and has sensibly and proactively reprioritised development activity towards 'fixing the front' of the claimant journey, and in supporting a consistent case management approach. For



example, prioritising functionality that allows payment for more complex claimants (e.g. those with debt) to be automatically calculated.

2.14 Recruitment and Training: Between January 2017 and October 2017, the Full Service needs to recruit and train 1,200 more Work Coaches and 1,650 more Case Managers. The RT heard confidence that the recently agreed contingency funding of £47m would help to bring some of this recruitment forward.

2.15 However, it was not clear to the RT how many people and what roles this contingency entails. Operational risks could also arise from the time lag (some interviewees suggested this could be around 3-5 months) from the start of the external recruitment process to new staff being trained and operational. However, the programme team were confident that these timings have been factored into their plans.

2.16 The RT also heard of the challenges that arise with on-boarding new staff. This is taking several months and the RT heard that there is a significant burden on the existing cadre of leaders, mentors and trainers. Further there is an ongoing need to revise guidance, as new functionality is introduced and as learning is absorbed.

**Recommendation 2: The programme team should gain assurance that the significant recruitment and onboarding processes leading through to October 2017 and beyond are appropriate (e.g. scalable and sustainable).**

2.17 Culture: From the performance of the Job Centres and Service Centres rolled out so far, the required levels of transformation have not yet been met. There still appears to be a lack of trust in new systems, with people defaulting to old behaviours. As a result, case management is not being implemented effectively and use of the Full Service is not being optimised. The SRO and the programme team have recognised these issues and are instituting remedial action. However, if these actions do not deliver the required levels of transformation, the programme team may have to take other actions to deepen the transformational focus of future rollout, e.g. changing the ordering of cases, altering the timetable or geographic focus for rollout.





**Recommendation 3: The programme team should ensure that they take every opportunity to learn lessons formally and informally from Full Service operational experience and to continuously assess the approach to rollout in light of this experience.**

### **3. Critical Success Factor: A Stable, High Performing and Resilient IT System**

3.1 The RT heard that, following a serious outage last August, a decision was taken to shift infrastructure/hosting service to a Cloud hosting model with Amazon (AWS). The RT welcomes this strategic decision; it is a major move intended to deliver deep resilience.

3.2 However, progress with this move to AWS is behind plan: the original date of a February go-live was delayed. Rework means that this will not now be available before May, after which it will take three months to configure for use by the Full Service, e.g. optimising and tuning the infrastructure, which is normal for a new hosting environment. The RT heard that, again sensibly, an interim tactical solution was also being considered, using existing PSN lines, to ensure a solution is available for March 2017. The RT supports the need for a resilient solution to be available swiftly.

3.3 The RT heard that the focus on the non-functional capability of the service (performance, resilience, scalability, operability) remains critical, to ensure that the solution architecture remains appropriate, and that the service can perform and be operated at the scale required. The build in AWS is being tested against the expected October volumes, to provide assurance of the performance required at scale. The RT did not have the time to fully explore other aspects of system stability and performance.

3.4 Business Continuity (BC): The RT had limited time to fully investigate the area of Business Continuity, but was told that 10 Business Continuity products have been rolled out to Operations, and that any responses to BC events are managed by the Operational Control Centre (OCC), with support from the National Business Continuity Team. A full suite of business contingency products had been developed, but these have not yet been fully tested.



3.5 The RT heard that a future failure of the Central Payment System (CPS) could now be mitigated by providing access to a Faster Payment contingency option. The RT was also told that a new contract is being put in place with RBS due to commence mid-April 2017, although these new arrangements are yet to be tested. The RT also heard that, in response to previous outages, several products have been tested - Manual Payments, Payment Advances, Recoverable Hardship and Telephony. The RT were not able to assess the effectiveness of these products, but heard anecdotal evidence of plans to test some or all products, at least in simulation.

**Recommendation 4: The programme team should develop and implement (through simulation as appropriate) a Business Continuity test programme.**

#### **4. Critical Success Factor: Operational MI Hierarchy Sufficient to Drive the Business**

4.1 The RT saw evidence that the Scaling Entry Criteria have been agreed and metrics are largely in place, although the measures and metrics pack provided to the RT still had some key measures without metrics in the Case Progression section (e.g. time lost to double handling; approach for vulnerable claimants; percentage of payments that include housing costs within the 1st AP; percentage of claimants paid on time - not by Faster Electronic payments; percentage claimants paid on time - by Faster Electronics payments).

4.2 With the exception of the entry criteria related to Fraud and Error, and to the Security and Stability of the System, it wasn't clear to the RT what constituted satisfying the "red lines". It appeared to the RT that while some of these Scaling Entry Criteria were 'absolute', e.g. is the system secure and stable; others were more subjective and more open to interpretation, e.g. performance benchmarks and recruitment status.

4.3 The RT were not clear how the programme was actually being held to account against the Scaling Entry Criteria. Decisions on rollout during October 2017 will come down to the risk appetite of Ministers, DWP, the SRO and Programme Board. Reporting products are in place and the Scaling Criteria are reviewed fortnightly at the Transformation Planning Group, monthly reporting to the Programme Board and also used to update ministers via the Ministerial Change Delivery Group. In order to be able to make evidenced based decisions, the SRO will require reporting against the right metrics, and support and robust assurance from colleagues in DWP Operations.



**Recommendation 5: The programme team should review the Scaling Criteria and underlying data to ensure that the design and presentation of metrics is user friendly and therefore aids decision-making.**

4.4 The RT heard that progress against the Scaling Criteria and other key metrics is monitored through a Scaling Control Framework and “Go to Green” Plans, which are regularly reviewed through Delivery Readiness Groups and Scaling Events. The RT perceives that these readiness assessments were the main opportunity for UC performance to be regularly held to account in advance of scaling in October. Feedback from interviewees suggested that these events could include more robust challenge, including allowing more time for investigation and demonstration of products.

**Recommendation 6: The programme team should consider refreshing the design of the Scaling Events and Delivery Readiness Groups, to maximise the opportunities for robust challenge.**

4.5 Implementation Control Centre: The RT heard that [REDACTED] has undertaken an independent review of the Implementation Control Centre (ICC), and the Programme Delivery Executive (PDE) has agreed its key recommendations. The ICC TOR has also been clarified and resources strengthened.

4.6 The RT saw that the ICC gathers in data from Operations, via the new Operational Control Centre (OCC) and from the functional and non-functional development teams. This data is fed into the Delivery Readiness Group that, in turn, feeds the PDE.

4.7 The RT saw a great deal of data being gathered, and proactive watching of trends. However, it was not clear how this data was turned into knowledge or insight, leading to action – see section on MI above.

4.8 Some interviewees expressed concern that Operations wanted to collect too much ‘legacy style’ data, rather than data that would empower staff and actively assist in managing an e2e service. Given the new e2e governance structures for Job Centres and Service Centres in Operations, the RT counsels consideration of whether, and when, some or all of the ICC activity should be transferred over to Operations.



**Recommendation 7: In light of the new e2e governance arrangements in Operations, learning and experience gained from the programme, at an appropriate point in the programme, DG UC and DG UC Operations should review the future role of the Implementation Control Centre.**

4.9 Overall, the RT saw evidence that the MI required to manage the service and business is developing, but there is more to do. The RT is concerned that robust decision-making is hampered because the programme is data rich and knowledge poor.

## **5. Critical Success Factor: A Workable ID Assurance Solution**

5.1 The RT heard that the ability of claimants to complete verification remains a significant risk to the programme and is contributing to increased telephony volumes. Latest figures show that c. 30% of new UC claimants are completing the Verify process, far below the requisite target of 60% for scaling in October 2017.

5.2 The RT also heard that, in addition to working with GDS to progress improvements in Verify performance, the UC team is sensibly working on a Complementary ID&V solution, aimed at UC claimants with on-line bank accounts. This new solution is 'simple', in technology terms, and is targeted for delivery in July 2017. However, the RT is concerned that this timetable is still very tight and it is not clear how much of the current gap in performance could be addressed. This suggests that Face-to-Face identity verification will still be required for a significant proportion of claimant, which will have a material effect on staffing requirements and on costs and benefits in the FBC.

## **6. Other Findings**

6.1 Relationship with HMRC: The RT heard that the relationship between UC and HMRC has continued to build through summer 2016 and integrated and aligned plans (including milestones) are in place. HMRC are embedded within UC governance with established relationships at every level across the programme. Delivery readiness confidence levels in HMRC are high.

6.2 The RT also heard that agreement has been reached on the sites and numbers of HMRC staff to move to UC for 17/18 and arrangements are in place for these agreements for 18/19. Concerns were expressed by HMRC on their lack of visibility of the DWP People and Location Programme, but HMRC did recognise that the UC



programme team had done all they could to share any information they held on this issue.

6.3 The RT heard that it has been agreed that UC claimants with existing Tax Credit debts will have those debts transferred to DWP. HMRC consider that there may be issues on the residual Tax Credit debt, but they have contingency in place and are comfortable that these can be contained within their programme.

6.4 The RT also heard that agreement has been reached on Managed Migration and integrated plans for delivering this are in place. HMRC do have some concern that funding pressures may impact on the solution for Switch. However, this is not considered to be a major issue within UC.

6.5 Stakeholder Engagement: The RT saw an increased focus on stakeholder engagement and support and heard that the communication team has been working with stakeholders to meet their needs and those of the claimants they work with. The communication team continue to meet with stakeholders such as Local Authorities, Landlords and the Devolved Administrations.

6.6 The RT heard of recognition by the programme of the need to supplement digital media with paper based communications. A number of products have been launched including “UC & You”, Housing guide and Payments Guide. Work continues to produce products to help Full Service users understand their responsibilities under UC and to use the service effectively.

6.7 The RT also heard of a focus on mapping the journey for vulnerable claimants; an area felt by the PDE to be critical for October scaling.

## **7. Next Assurance Review**

7.1 The UC Contention plan, including delivery of the welfare reforms, was approved by HMT in May 2016. The UC programme requires no further approvals from HM Treasury until September 2017 when a Full Business Case is expected. This is at the same time as the programme decision on whether to rollout at scale from October 2017.

7.2 It is intended that there will be a PAR, in early September 2017 to inform these decisions. The scope of this should include reviewing the operational performance of the Full Service, and success of the mitigations and contingencies discussed in this



report, to ensure that improvements in operational performance will prove sustainable.



**ANNEX A**

**List of Interviewees**

The following stakeholders were interviewed during the review:

<b>Name</b>	<b>Organisation and role</b>
Neil Couling	UC Programme Senior Responsible Owner
Ian Wright	UC Programme Director
Sir Robert Walmsley	UC Programme Board Chair
John-Paul Marks	Director UC Operations
Cath Hamp	UC Director – External Relations and Orientation
Shelagh Brown	HMRC UC Programme Manager
Will Moss	UC Director – Strategic Design and Planning
Paul McKeown	UC Deputy Director – Programme Planning and Assurance
Tim Carter	UC Deputy Director – Strategic Design and Planning
Craig Eblett	UC Full Service Product Owner
Anthony Brigginsshaw	UC Product Development Director
Julie Lindsay	UC Deputy Director – UC Full Service Implementation Control Centre



**September 2016 Healthcheck Recommendations**

The table below summarises progress against the previous recommendations:

No	Recommendation	Priority Level	Do by	Progress
1	Refine internal and external stakeholder communications to communicate a clear and compelling narrative about UC	High	Dec 2016	Ongoing - We will test and demonstrate effectiveness of all communications in the run up to scaling in October 17.
2	Agree clear decision points with HMRC to ensure both DWP and HMRC are aligned fully on plans to deliver key milestones and mitigate any risk	High	Dec 2016	Complete – Plans discussed and agreed covering transition and managed migration.
3	Set de minimis targets for auto-calc & auto-pay	Critical	March 2017	Complete – Metrics set and form part of scaling entry criteria.
4	Operational MI, sufficient to drive the business, to be in place before scaling	Critical	March 2017	Complete – MI on scaling entry criteria and reviewed regularly at PDE & OET.
5	Put Operational business continuity plans in place	High	Dec 2016	Complete – Testing of the remaining products will be carried out
6	Review the role and structure of the ICC	Medium	Dec 2016	Complete – ICC will evolve as we scale
7	Review and refresh the MVP, re-introduce 'Red Lines', and refine Entry & Exit criteria	Critical	Dec 2016	Complete – IOM and Critical Outcomes signed off. Scaling Entry Criteria being refined
8	Programme Board, and Operations, to be assured that the performance of the system will be fit for purpose.	Critical	March 2017	Ongoing – Continual monitoring and reviewing in place
9	Programme Board to review Verify performance, improvement and contingency plans.	Critical	March 2017	Ongoing – Continual review and testing in place