



Infrastructure & Projects Authority Health Check

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Programme/Project Director	Ian Wright
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1. Executive Summary

Delivery Confidence Assessment (DCA)

The RT considers the Universal Credit Programme to be Amber.

Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and if addressed promptly, should not present a cost/schedule overrun.

The RT considers that the Plan is challenging and will stretch the programme and Operations to deliver. However, provided issues noted throughout this report are actioned in good time, the RT considers that the plan is deliverable.

Things that are going well

- Live Service for Singles has been rolled out nationally
- There is early evidence that policy outcomes are being delivered
- The revised Plan is supported by all stakeholders
- The Plan is stretching, but manageable, with contingency built in
- Governance structures are comprehensive and fit for purpose
- There is a strong and effective SRO
- The full range of stakeholders are positively engaged
- The relationship with Delivery Partner HMRC is working well
- Operations are confident that they can deliver the required capacity and capability
- Planning for Migration has commenced

Areas of concern

- The burden of re-planning has complicated delivery
- The effect of additional policy 'asks' has increased costs and decreased benefits
- Scaling requires a step change: this is not about incremental iterative increases, but a shift to an industrialised structure
- The Full Service IT system is currently live, but requires significant maturation to be scaleable and resilient in 2017
- Chanel shift is proving challenging, particularly from telephony, with cost & resource consequences
- The Full Service MVP needs ruthless focus
- Development capacity needs to be prioritised on the critical items in the backlog
- 'Red Lines' for delivery and decision making need to be clearly in place
- Entry and Exit criteria require more definition
- Verify is under performing: progress needs to accelerate and be closely monitored
- The current MI, for policy, programme and managing Operations, is insufficient for moving to scale

The RT considers that the Programme should re-focus on delivering the MVP for Full Service, and sees 4 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.**

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.

Additional comments from the SRO

From a Programme perspective there is nothing in this report we would take issue with. The next phase of the Programme, over the coming year, is critical if we are to be ready to move to scale in July 2017.

The report recognises that and the recommendations are squarely focussed on helping us tackle the challenge of moving to scale. As SRO I am grateful to the review team for that. We have a deliverable plan in place, on which we have already begun to deliver.

We need to maintain and accelerate delivery and whilst success is never guaranteed we have a growing confidence drawn from our progress to date.

Neil Couling 21 September 2016

2. Scope of the Review

Purpose

1. The UC IPA Health Check will build on the outcome of the 2015 Universal Credit (UC) Programme Assessment Review (PAR) by reviewing the Programme's status in the context of the revised delivery plan and policy package agreed by Ministers in July 2016. The revised plan resolves contention in the UC plan driven by a number of significant and complex changes since the OBC was baselined in November 2014. These include changes from the Summer Budget 2015 and SR 2015 on Welfare Reform initiatives, and Devolved Administration flexibility requirements.
2. The Review will provide an assessment of delivery confidence in the revised plan at this point in its lifecycle and its ability to deliver across all impacted areas and dependencies. It will also examine the Programme's financial position in terms of affordability and assess potential impacts on Transformation and Benefits Realisation, and examination of the evidence (albeit early) around policy outcomes.
3. The Review will take place in the context of the Programme's key deliverables over recent months. Most significantly the Tranche 1 roll-out of the Full Service from May to July 2016 (but will consider future migration plans), and how the Programme is embracing the principles of 'Transformation through 7 lenses' which is part of a cross-Government approach to delivering transformations and comprises maturity assessments against the following themes: **Transformation Leadership; Design; Vision; Accountability; People (capability and culture); Plan; and Collaborating in complex and new environments.**
4. The findings from the review will inform approval decisions at UC Programme Board on 22nd September and will be used to provide assurance to the OBR that there will be no additional delays to the revised timetable nor changes to the agreed policy package

Scope

5. The scope of the Review will be as follows:

A high-level assessment of delivery confidence in the revised UC Plan, including:

- Review of progress to date and how the service is currently operating and delivering outcomes;
- Identification of key risks and confidence that there are adequate provisions (and contingency plans) to manage these risks;
- Scalability of the UC service, including detail around the emerging migration plans;
- Assessment of achievability of the revised plan;
- Delivery Partner and stakeholder engagement (namely HMRC, Local Authorities and Devolved Administrations) and ability to deliver the revised plan;
- How any consequential changes across DWP's other Programmes have been identified and are being tracked/actioned;
- Commentary on how well the programme is aligned with the principles of 'Transformation through 7 lenses'.

3. Summary of Recommendations

No	Recommendation	Criticality	Do by when?
1.	Refine internal and external stakeholder communications to communicate a clear and compelling narrative about UC	High	December 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	December 2016
3.	Set de minimis targets for auto-calc & auto-pay	Critical	March 2017
4.	Operational MI, sufficient to drive the business, to be in place before scaling	Critical	March 2017
5.	Put Operational business continuity plans in place	High	December 2016
6.	Review the role and structure of the ICC	Medium	December 2016
7.	Review and refresh the MVP, re-introduce 'Red Lines', and refine Entry & Exit criteria	Critical	December 2016
8.	Programme Board, and Operations, to be assured that the performance of the system will be fit for purpose.	Critical	March 2017
9.	Programme Board to review Verify performance, improvement and contingency plans.	Critical	March 2017

4. Summary of the Programme or Project

4.1 Aims & Objectives

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.

4.2 Key Milestones

What

Scaling Event

Go to Scale

Managed Migration

When

July 2017

October 2017

July 2019-March 2022

5. Detailed Review Team Findings

5.1 Live Service

The Programme is to be congratulated on the national roll out of the Live Service, for singles, across all Jobcentres, with over 300,000 people claiming UC.

Further, Full Service is being rolled out, currently in 24 Job Centres. There is evidence that the programme and Operations are actively learning from experience to improve the digital solution. **However, much more development is required to improve the online, automated solution ahead of moving to scale.**

5.1.1 Early evidence that Policy being delivered

Early evidence from the first Live Service Cohorts indicates that UC claimants, v JSA equivalents, are more likely to be in work - by c 8% - and earning more/working more days (c£118, 12 days). This suggests a positive and sustained impact.

Evidence for Full Service is likely to be available in mid-2017.

5.1.2 More efficient organisation

There are some indications that UC is being delivered in a more efficient manner. For example new claims (above 95%) and online reporting of changes (88%) are above the assumption in the Operating Model and Business Case, and are good early indicators of positive transformation.

However, channel shift has been slower than expected, with a consequent increase in the burden, and cost, on Operations to handle a spike in telephony and additional claimant support F2F. Short term contingency solutions have been put in place, with additional resource allocated, and work outsourced to Capita, particularly for appointment booking and payment enquiries. It appears that the customer insight work underestimated the challenge of claimant response. This is somewhat surprising, given how long this insight and iterative development work has been underway. The RT is concerned that the customer journey must improve significantly ahead of moving to scale.

The system is far from being fully automated, with a consequent increase in the burden, and cost, on Operations to handle processes manually. This has been recently exacerbated by slow running and outages of the IT.

5.1.3 Feedback from Users

The RT was consistently told that operational staff are positive about the new system. Feedback noted that staff felt positive about the new UC policy and that the approach allowed them to focus more fully on helping claimants back to work. There was also strong support for the system performance improvement work – staff liked seeing how their concerns translated quickly into ‘fixes’ in the system.

The RT did not see claimant feedback.

5.2 Governance & Decision-making

The RT saw recognition that UC is now seen as a Transformation Programme, with a clear vision to deliver policy objectives through a new, largely digital, operating model. The RT saw evidence of a strong leadership capability in place within the programme, which is underpinned by robust governance. There is clear evidence that membership of key Boards includes appropriate representation from internal and external stakeholders at appropriate levels. The culture now appears more transparent, with issues being surfaced and resolution being dealt with in an adult manner.

The RT heard that the Programme Board, which continues to be chaired by the non-executive Chair, provides effective challenge and monitoring of delivery, and clear decisions. The Programme Delivery Executive meets weekly and is chaired by the Programme Director. The

formal governance continues to evolve within the programme and the RT considers that the closer working of the Business and Technical Design Authorities to be a sensible step.

The RT recognises that the leadership is committed to the programme as a means of achieving a transformational system where work is more beneficial than being on benefits. UC remains a flagship digital development within DWP, which will enable it to meet its 2020 vision.

All stakeholders acknowledged the role played by the SRO to ensure that a realistic and achievable revised plan has been agreed with Ministers. The SRO has also been focussed on managing the relationship with external stakeholders. The RT believes that relationships with Local Authorities, Devolved Administrations and HMRC have improved significantly. However, the SRO acknowledges that his attention should now shift and become more focussed on delivery.

The RT was provided with evidence and documentation to demonstrate that the programme is well managed. The dashboards presented to the PB are clear and provide the basis for effective monitoring of the programme. The improvement of the MI and key performance indicators will support decision making.

Those interviewed confirmed that the interface with DWP Operations is working more effectively. DWP Operations is represented, through the UC Operations Director and her team, in the governance fora within the programme. The UC Operations Director also represents the programme in the operational environment. The RT considers that DWP Operations are actively engaged in decisions on rollout in JobCentres and Service Centres. The introduction of the Implementation Control Centre has strengthened the governance and improved the relationship with DWP operations by providing them with a forum for analysing problems arising from the introduction of UC and being part of the resolution process. The ICC also enables DWP Operations to have a line of sight on future planned events in relation to rollout and the means to influence the rhythm of the implementation.

The RT was provided with a copy of the UC 2nd Line of Defence Review report on the Readiness for transition (May to December 2016). The review made 5 key recommendations, which are being tracked by the Programme Board and cover those issues above.

The programme maintains a risk register and decision log. The RT considers that there needs to be more focus on a smaller number of strategic risks to enable the governance Boards to fully understand and manage them effectively.

5.3 Stakeholder Engagement

Positive moves have been made to engage with the full range of stakeholders. A wide range of stakeholders are engaged on the Programme Board, and throughout the programme, and relationships have improved significantly since the last PAR. The SRO, in particular, is to be congratulated, for his work in this area.

That said, there are still significant issues to be resolved. But the RT was impressed that not only were these issues now surfaced, and the implications understood, but that 'grown-up' conversations were underway to resolve outstanding issues. There is good evidence of collaboration in this complex and new environment.

5.3.1 Devolved Administrations

Since the revised UC plan, coverage has been expanded to include Northern Ireland (NI), Scotland and Wales. The Review team spoke directly with NI, and reviewed materials related to the other devolved administrations.

5.3.1.1 Northern Ireland

Transition to UC in NI will begin in September 2017 and is scheduled to complete in June 2018, at which point 32 Job Centres will be delivering the Full Service to 65,000 households. Eventually NI will deliver UC to 270,000 households.

DWP and NI officials have developed productive working relationships, and will approve transition once certain tailored IT requirements (related to the frequency and housing element of UC award payments) have been agreed and developed. There is contingency to extend the transition to September 2018, should this be required.

5.3.1.2 Scotland

Following the Scotland Act in March 2016, the Scottish Government (SG) was given powers to amend certain elements of the UC assessment. DWP and SG officials have agreed the SG's priority requirements for the Full Service, which are similar to those agreed with NI officials and will also allow the SG to change the amount deducted from UC award payments for the Spare Room Subsidy.

The RT therefore wonders whether the solutions for NI and Scotland could be aligned.

5.3.1.3 Wales

Live Service has commenced in Wales and delivery of the Full Service has been approved for a small number of Welsh Job Centres in 2017, albeit without instructions in Welsh. A new Welsh version of the Full Service will not be built until February 2018, but the timescale for delivery of this feature will be shared in advance with the Welsh Language Commissioner.

5.3.2 Local Authorities

There has been considerable progress made with Local Authorities. An Engagement Plan is in place, and a Support Pack has been produced. LAs are represented on the Programme board. All but 8 have already signed up as Delivery partners.

TUPE issues appear resolved, although there is still the risk of legal challenge. LAs do have concerns, particularly about sustaining the Housing Benefit service in the interim, and retaining staff. But, there appears to be agreement on the issues to be resolved, and conversations are open. The SRO has provided some funding support to LAs.

5.3.3 Other stakeholders

In addition, considerable work is being undertaken with other external stakeholders, including the welfare and housing lobbies. The SRO, in particular, had made considerable investment in building relationships.

5.3.4 Communications

Overall, the RT considers that stakeholder engagement, and support, has greatly improved. But the RT considers that more needs to be done on communicating the key messages about UC, its successes and key milestones. The RT is aware of the discussions with the PAC and the NAO around transparency – SoS has made it clear that he wants UC to be positive and transparent.

There is more to be done to develop core MI on policy outcomes and key milestones for the Programme – the RT saw early work on the new Performance Framework that will support this. It is critical that this PF focuses on the truly critical KPIs – otherwise there is a risk of being data rich, but knowledge poor.

Our recommendation from the previous PAR still stands.

Recommendation 1: Refine internal and external stakeholder communications to communicate a clear and compelling narrative about UC.

5.3.4 HMRC

RT saw a significant and positive shift with UC and HMRC working together as Delivery Partners; both confirmed to the RT that this relationship was working well.

There is now clarity that Tax Credit debt will move to DWP, but some uncertainty remains in other areas.

Some issues still remain about the transfer of staff to UC. UC has been, until recently, unable to provide firm timelines but now can do so, and wants certainty for its plans. In contrast, HMRC have wanted certainty but now require flexibility. This still needs to be nailed down, and compromises agreed asap. The RT heard that resourcing for 16/17 has been agreed; but that there is a risk that HMRC will not be able to release resource beyond that; alternative solutions are therefore required.

The RT notes the work underway to understand the potential consequences, financial and otherwise, of transferring the Tax Credit debt to HMRC.

The RT heard about consideration of HMRC digitising the tax credit cadre, before it is transferred to DWP; this would form part of the existing work contract. Discussions appeared to be at an early stage.

Our recommendation from the previous PAR still stands:

Recommendation 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.

5.4 Business Case and Benefits

5.4.1 Costs

The Outline Business Case (OBC) July 2015, approved by HMT in November 2015, projected the following benefits by 2024-25:

- Net Present Value of £20.3bn and **forecast net benefits of £27.1bn** (£12bn of savings from increased employment and £16bn of savings from redistribution)
- **like-for-like savings of £0.4bn per year** from UC operational costs, when compared to the equivalent legacy benefit baseline
- **11k FTE reduction** (to 2020-21) in the 40k administration staff employed across DWP, HMRC and Local Authorities
- **1m increase** in claimants subject to conditionality

Additional evidence from the Review provides further detail around the OBC's projected benefits, following the Contention revisions to the Plan:

- **850k of the 1m** new claimants subject to conditionality will be subject to full conditionality
- UC will require a **9k FTE increase** (to 2020-21) in Jobcentre Plus work coaches
- This recruitment will cost **£0.3bn per year**, reducing like-for-like savings to £0.1bn per year.

The revised UC plan introduced additional financial costs, and initial estimates suggest a further **£1.6bn will be needed in AME, and £242m more in DEL over the SR period**. The funding pressures fall mainly in the final two years of the SR period, with gaps of £122m in 8/19 and £112m in 19/20. Although there is no immediate requirement for a further drawdown request, discussions are ongoing with HMT re the affordability of the UC plan.

Refreshed estimates to 2024-25 of the OBC's projected benefits for UC will be calculated in September 2017. It is yet to be agreed how the reversal of Tax Credits savings announced at Autumn Statement 2015 will be represented in these calculations.

5.4.2 Benefits

Work is underway on Benefits Realisation; this will be worked up for next year by the Benefits Realisation Steering group.

The RT notes that the key drivers for Operational Efficiency benefits realisation are channel shift (digital & automation), verification and transaction risking.

On channel shift, the UC plan assumes a journey to 90%+ digital. Data from Live Service gives some early encouragement. However, Full Service is not fully developed or scalable yet, and assumptions based on insight work into the customer journey are not all aligning with reality. Additional manual processes increase cost and decrease NPV – crudely the RT estimates that a 5% swing equates to c £20m in NPV – and increase the risk of fraud and error.

There is further work to consider interventions to encourage use of digital, from communications and nudge techniques, to engineering the operational structure to facilitate online interactions, and discourage other channels, particularly telephony. Further thought is needed here, drawing on test and learn, and considering 'Extreme Channel Shift' pilots, but also a policy steer on the level of support appropriate for more vulnerable groups is also required.

On verification, the TOM assumes 90% online verification for 2020. The IOM mitigates this back to 40% for 2016. If F2F verification is required; this will have a material effect on the business plan. Claimants' ability to identify online is behind schedule; see 5.6.1.3 below.

The RT did not have time to consider the programme's approach to transaction risking in any detail. Currently, there appears to be a high percentage of manual checking. The RT assumes that further guidance will be needed from the policy community on appropriate and acceptable levels of risk, particularly for more vulnerable claimants.

The RT notes that further changes to policy framework will not only delay delivery, again, but potentially decrease benefits further. While all parties recognise the likelihood of further changes to the Plan (e.g. the position of EU migrants has yet to be resolved), the programme really needs space and support to concentrate on delivery.

5.5 Deliverability of the Contention Plan

The RT considers that the Plan is challenging and will stretch the programme and Operations to deliver. However, provided issues noted throughout this report are actioned in good time, the RT considers that the plan is deliverable.

5.5.1 Scope & Timing

The scope changes agreed by Ministers in the Summer Budget and Spending Review of 2015 were impacted by the UC programme in early 2016. Ministers asked the programme to develop a plan to deliver the welfare reforms with little change to the agreed timetable. The programme has completed a Contention plan to deliver the welfare reforms and this was approved by HMT in May. The UC programme requires no further approvals from HM Treasury until September 2017 when the Full Business Case is expected. The programme is producing an Addendum to the OBC, to reflect changes from Contention; this was not available for the RT to review.

The RT saw that considerable work had been undertaken in creating the new Contention plan. Stakeholders were agreed that the process of scenario planning was robust and had been well implemented. The new Plan has been agreed by all stakeholders.

There has been ebb and flow of delivery of key policy areas, to reflect new policy 'asks' and changing priorities. Welfare Reform measures will be implemented on time, but de-scoped vis

policy simplification on the child measures. Overall, the Plan is slower and more measured. The scale of Transition has been deferred by 6 months, with a scaling event in July 2017, followed by a firebreak to assess progress. There is considerable contingency built in, particularly before the start of Managed Migration, which has been deferred by 12 months.

5.5.2 Delivering at Scale

The RT is concerned that the Programme, and Operations, should give fresh thought to the consequences of operating at scale.

Successful delivery of UC will require an organisation that can deliver at industrial scale; structurally, managerially and with suitable capacity and capability to deliver a resilient digital and automated service.

So far, the incremental roll out of the digital solution, and iterative changes to the system, has automated c120 features. Going forwards, the RT counsels that regular release will be more complex and requires careful reflection to be adequate at scale.

Operations face major challenges around recruitment and L&D, simply to have the capacity and capability to deliver. The RT was comforted by their assertions that, although stretching, this scale of recruitment is within their experience and manageable. The TOM assumes 90% digital: performance is above assumption for payments and changes but below for length of telephony calls and Verify. This clearly increases staffing pressures, costs and risk. The RT notes that Operations requires to recruit c9,000 new Job Coaches; and that the release of c11,000 Service centre staff will not happen until the end of the SR period.

Unless a significant proportion of the service is automated, delivery is at risk. The cost of delivering a manual, rather than significantly automated solution, will become prohibitive, and the NPV will drop to unattractive levels.

The RT counsels that minimum standards should be set - 'Red Lines'- for auto-calculation and autopay that can cover the full range of UC services, across the 7m candidate households. The RT suggests that this should be at c 85%.

Recommendation 3: Set de minimis targets for auto-calc & auto-pay.

5.5.3 Performance management / MI

Operations also require industrial strength MI in order to manage and drive the business; the Operational Control Centre is nascent.

Recommendation 4: Operational MI, sufficient to drive the business, to be in place before scaling.

There is a risk regarding the lack of qualitative and quantitative information that establishes a clear baseline of how the UC service is performing, how it is being used and the user experience of professional users and citizens, as well as the non-functional performance. The risk here is not to pursue a holy grail of whether the service is 'right' or 'good' to successfully trigger transition activities but to ensure the programme understand UC performance as delivery progresses, to ensure a clearer understanding of whether a go or no go decision should be made in March. Therefore the review team recommend that the SRO leads a review of qualitative and quantitative management information required to support the go / no go decision in March 2017 for the next phase of transition.

This scope would enable prioritisation of development work including the non-functional aspects, effective delivery of implementation activities including Learning & Development work. It would also allow effective engagement with partners, for consolidation of communications and engagement activity and last assist in managing expectations of Ministers regarding transition activity.

The approach to managing operations, specifically responsibilities of different functions has been considered. A “fracture” is planned in advance of the scaling event in July-17 to insert a ProdOps function who will take the lead on operating, monitoring and fixing the service, liaising with the DevOps function that will support dev work and focus on new requirements. This approach attempts to retain some element of the standard approach that “what you develop, you operate” but with some flexibility introduced to ensure there is focus on the live service as well as focus on the significant scope of works to delivery new policy changes in the revised plan.

This will also be set within the wider function of DWP service operations, with work to do on the readiness of this overall function. In spite of the significant change in the level of requirements (typical DWP recovery time objective for national services is 24 hours, whereas UC will be 15 minutes), there is confidence that the capability exists to support operations, achieve the targets, etc. This will be tracked through the entry criteria, supported by test evidence. It is recommended to raise a risk around the readiness of service operations to ensure there is appropriate focus and tracking of delivery.

5.5.4 Lack of Operational continuity plans

The RT saw consideration of business continuity plans. These focus on the IT system. However, there do not appear to be plans in place for Operations for when the IT system does fail. This was evidenced over the outages during the summer.

The RT considers that a distinction should be made between recovery of system stability (service continuity) and practical fixes to allow business continuity (e.g. manual interventions, system workarounds etc.) to ensure that Operations can indeed operate.

Recommendation 5: Put Operational business continuity plans in place.

5.5.5 ICC

The RT is concerned that the role of the ICC is unclear, and, that as currently constituted, it is not scaleable.

The RT saw useful tracking and assessing of issues; collecting user inputs via a network of SPOCs; ‘triaging’ issues; and communicating back into the business and DevOps to influence product design and delivery. This appears to be a useful input to ‘quick fixes’ and continuous improvement, and well received by the user groups. However, once operating at scale, this model is not sustainable. A new design will be necessary.

Further, the RT considers that the role of the ICC is somewhat unclear. It does not appear to have an official mandate to ‘represent’ the business to DevOps, or authority to shape and sequence work, or to arbitrate between the business and DevOps. The RT was not clear how its role rubbed up against that of the Product Owner, or whether the ICC has a genuinely independent role to play.

Recommendation 6: Review the role of the ICC.

5.6 Development of the digital service

5.6.1 Product (Functional) development

At the last PAR, the RT was impressed by the development team in Victoria Street. There appeared to be a sensible balance between the agile methodology and delivery to hard deadlines. There appeared to be sufficient flex in the backlog to cope with incoming demand without compromising the priority feature list, The RT did however note the following concerns:

- the team had not fully matured its ability to accurately size incoming stories, and was dealing with this uncertainty by building heavy contingency into each estimation exercise

- the plans for recruitment, from 180-230 people, did not appear to match up to the development lifecycle requirements, leading to a concern by the RT that the digital team should ensure that pace is sustainable for the team while not over-recruiting simply because of the desire to accelerate
- as volume of feedback scaled, the team should give particular focus on making sure they did not lose sight of strategic intent.

A year later, the team has grown to c300 people. In planning for Contention, the programme has resisted calls to increase the team even further, to increase speed, recognising that it would be unmanageable.

The product ownership function has been embedded, bringing improved co-ordination of development activity. Multi-disciplinary teams are the norm including digital resources alongside operations colleagues and policy where appropriate. Reporting to the Programme Board has matured from 'agile' measures (velocity /sprints etc.) towards functional delivery.

The RT found that some cultural challenges still remain. Overall, interviewees expect that the imminent move to Caxton House will be positive; the benefits of co-location will outweigh any disruption.

5.6.1.1 Quality of releases

There is a 'triple key' of Product Ownership, Operational Implementation & Technology before releases are deployed. Exit criteria are developing, but they appear to be relatively short term. The RT did not have access to quality statistics (bugs levels), but heard that only one release had been delayed due to quality issues.

5.6.1.2 Frequency of releases

Since the last review, there has been significant development activity, with over 40 releases deployed on a regular fortnightly basis, giving a well understood velocity. The RT heard that this was being well received by Operational staff: they find it motivating to see 'quick fix' improvements stemming from their feedback.

However, the Programme needs to keep this drumbeat under review and ensure a clear focus on major system changes rather than minor/cosmetic improvements in advance of moving to scale. As the system develops, the latter could/should be handled more as BAU continuous improvement, as long as the 'alert' mechanism is correctly calibrated. Major changes could/should be heralded with more fanfare and will require greater L&D for more complex/larger scope items.

5.6.1.3 Prioritisation

The RT understands that there are multiple feeds into prioritisation of work; importantly this includes Operations and feedback from sites operating the live service and full service. The RT has seen evidence of plans for functional delivery of the backlog for 3 months forward, and an indication of a 6 month programme.

However, the Programme requires a ruthless focus on delivering the MVP. The Programme should re-instate the development of 'Red Lines' immediately, and further develop its entry and exit criteria with detailed specifications, particularly for scaling.

The RT is significantly concerned that there is not a clear view of what the MVP core set of functional requirements are for the transition/scale decision in March 2017, and that development capacity is not being prioritised on the critical items in the backlog to trigger that decision successfully.

The RT understands and is aware of agile best practice. However for a programme and service as complex as UC to be successful and manage its key dependencies, the RT urges a review and refresh of the MVP to be ratified at Programme Board.

The RT is concerned that balance of development work has shifted towards the more cosmetic end of the spectrum. Feedback from all interviewees assessed the vast majority of the agile team's outputs to be enhancements, rather than growing functionality. The backlog needs tighter control and stronger prioritisation.

Recommendation 7: Review and refresh the MVP, re-introduce 'Red Lines', and refine Entry & Exit criteria.

5.6.2 Non-functional improvements

At the time of the last review, the RT was concerned that little progress had been made on the critical non-functional aspects of the build. This was not surprising given the skill base and culture in the Victoria Street team.

Since then, two significant technology/delivery reviews have taken place, being the 2nd line review and a separate technology review completed by Thoughtworks. It is positive that these reviews have taken place. However a number of critical recommendations were identified which require urgent action to resolve successfully. There has been some positive progress regarding delivery against these recommendations, but the RT considers that the programme is still at significant risk.

The RT understands there has been a shift in development capacity onto non-functional tech development activity, to ensure the service is ready for the scaling event. The RT understands that, ultimately, the UC Technology team are considering how to scale to 8m users, with c.50K now and plans to get to c.85K users by December 2016.

Focus on the non-functional capability of the service (**performance, resilience, scalability, operability**) is critical, to ensure the solution architecture remains appropriate, the service can perform and be operated at the scale required.

5.6.2.1 System resilience & performance

Alongside the delivery activity, there have been some issues with the Full Service, notably a 2 day service outage in July/Aug. These issues illustrate the scale of the work to do to have the service ready for the scaling event and longer term roll out. The issues have led to work being initiated to shift infrastructure / hosting service provider, moving to an Amazon Cloud service model. The capability of the new service and the provider organisation needs to be closely monitored once the service is live, to ensure they can deliver for the scaling event and beyond.

Work has been completed to confirm the non-functional requirements (NFRs) for UC. These new requirements are significantly different and more strident than typical DWP service operations requirements, necessarily so with the target UC service being a fully digital service. An example provided was for the recovery time objective (RTO) for the UC service being 15 minutes in the event of a severity/priority 1 incident versus a typical DWP RTO being c.24 hours. This illustrates a significant delta between UC and current DWP ops, which will require focus as part of the non-functional and service / operations readiness activity for UC. No significant issues or concerns were highlighted by the UC team around whether this capability will be ready for the scaling event, but it needs to remain a focus moving forward.

Recommendation 8: Programme Board, and Operations, to be assured that the performance of the system will be fit for purpose.

5.6.1.2 Security

Progress has been made regarding the security aspects of the UC service: the security team has been expanded and more effective relationships have been built with the DWP-wide security team, with a maturing of the governance activity. However, interviewees noted that further assurance activity around security of UC is required to ensure that as the non-functional/ tech dev work is completed the security standards are maintained and UC continues to maintain government /industry standards.

5.6.1.3 ID&V Verify

There has been some progress around improvements to online/digital identity verification using Verify. But this is a long way behind schedule, with only c29% of potential UC claimants able to complete the Verify process. While there may be some specific issues with UC claimants, the larger issue is that Verify is not yet fit for purpose. UC is working closely with the Verify team.

At low levels, this can be substituted by manual processes, requiring an increase (i.e. lack of decrease) of FTEs in Operations – the RT heard estimates of c 100 FTEs. Some detailed research and analysis has taken place on Verify and potential issues, as well as work at 2 sites (Great Yarmouth and Rugby) with the Post Office to boost numbers of claimants authenticating with Verify. Work is also underway to investigate alternate solutions. Interviewees agreed that the manual activities are not sustainable at scale moving into the next phases of transition - anything over c85-100,000 people, i.e. by early 2017. This is a significant risk to the programme.

Recommendation 9: Programme Board to review Verify performance, improvement and contingency plans.

5.6.1.4 Integration with other systems

Progress around integrating systems, with greater understanding of the totality of the work, is now in place, with 6 systems not fully integrated with UC.

5.6.1.5 Resourcing

The RT considers that there are some resourcing changes within product delivery and technology areas that are not finalised. These need to be resolved expediently to ensure no impact on delivery and the ways of working. The RT supports the appointment of a new Director level role to own performance of the service. With the work to do in this area in advance of the scaling event and beyond, this gives added assurance regarding focus.

5.7 Managed Migration

The Migration challenge is to move some 3m claimants (“old stock”) off the 6 legacy benefits and onto UC.

Managed Migration has been pushed out to 2019, some 9 months after Transition. This gives more time for planning: it is also likely that ‘Natural Migration’ will reduce the stock numbers; this is currently being modelled at net 2.1m cases (3m legacy claims to be closed down). However, this cadre is likely to contain more complex cases: claimants have been on benefits for a long time, and there are a higher number of vulnerable claimants. Further, this group qualify for Transitional Protection payments: the more slowly they are migrated onto UC, the greater the ‘top-up’ costs to the taxpayer. Further modelling work is required to consider the time period over which TPs may erode, given potential uplifts in UC payments.

There is therefore a requirement to be able to compare and contrast benefits that will be due when the claimant transfers to UC, with those they would have received on the old benefits. And a requirement to understand whether the behaviours of this cadre will differ significantly from other UC claimants, thus necessitating a differently tailored approach.

The Migration team has been in place for some 6 months: work has progressed through the Discovery stage. A multidisciplinary team has been established, with support from SMEs and with partners embedded, connecting into the wider UC programme.

Insight work has been completed with stakeholders and operational users, and with claimants within the migration stock. The RT was told that the first iteration of the Managed Migration Operating model has been developed. A high level technical option is being developed; design principles, such as aligning geographic rollout to Full Service rollout, gradual roll out and including firebreaks to allow learning and contingency, have been agreed. Work is underway to understand the Transitional Protection policy and its delivery implications.

However, the RT is concerned that the Migration team:

- should not overcomplicate their approach to calculating 'would have been' benefits
- must be vigilant not to duplicate the core UC work; this is a supplementary workstream that will not be required after migration (other than some activity re debt, and potentially TP).

From the paperwork seen by the RT, we have a concern that the workstream is dominated by the agile development element of the work, rather than taking a holistic, vision-led and system-wide approach. The RT counsels that this workstream should be assessed in more detail at the next review.

5.8 Future Assurance

The Review Team proposes that an AAP is undertaken in early 2017.

Annex A – Progress against previous PAR recommendations

Recommendation	
Programme to agree on requirement for production of subsequent IOMs and handover to Operations.	Ongoing – 2018 IOM in production
Programme to shift towards becoming a transformation programme.	Yes
Programme to refine internal and stakeholder communications to communicate a clear and compelling narrative about UC.	Delayed by Contention, but relationships much improved
Programme continues to work closely with HMRC to remove any doubt and uncertainty about plans to move Tax Credit debt to DWP in April 2016.	Agreement complete, but detail to be worked through
Programme should agree clear decision points with HMRC between now and April 2016 to ensure both DWP and HMRC are aligned fully on plans to deliver key milestones and mitigate any risk.	Ongoing
UC to complete the national roll-out of Live Service, using it as the foundation from which to evolve the Digital Service.	Complete
Clarify responsibilities, governance and resources across the DSC and UC teams.	Complete, but this may need to be reviewed at transition to scale
The digital, technology and security functions should ensure that skills, knowledge and lessons learned are retained and communicated to the rest of DWP as part of the Department's wider transformation.	Not assessed

Annex B – List of Interviewees

The following stakeholders were interviewed during the Review:

Name	Role	Notes
Damien Hinds [Redacted]	Minister for Employment PS to Minister	Minister's perspective
Sir Robert Walmsley	Non-Executive Chair of the UC Programme Board	Programme Board
Neil Couling	UC DG & Senior Responsible Officer	General Programme Overview
Ian Wright	UC Programme Director	Programme Director's perspective
John Paul Marks Paul McKeown [Redacted]	Director Transformation & Planning Director Programme Planning & Assurance UC Policy	TPG, planning, key dependencies, risk management, governance & assurance
[Redacted]	UC Product development	MI Full Service
Helen Shaw	UC HR Director	UC people
Cath Hamp	UC Programme Director for External Relations & Orientation	Claimant orientation & change impacting
Nick Lodge [Redacted]	HMRC DG Tax Credits and RTI HMRC UC Programme Manager	HMRC Transformation and relationship with DWP UC Programme
[Redacted] [Redacted] [Redacted] [Redacted] [Redacted] [Redacted]	UC Planning & Assurance UC Finance UC Finance UC Finance Analytical Services Volumetrics	Departmental Finance overview. Business Case, latest costs and movements from SOBC, affordability , digital cost model and resourcing position, volumetrics
[Redacted] [Redacted]	UC programme Planning & Assurance UC programme Planning & Assurance	UC Planning approach, governance, scenario planning, risk management
[Redacted]	IC	Walkthrough of ICC
[Redacted] Paul Mckeown	UC Business Case Lead Director Programme Planning & Assurance	AME and Economic benefits UC Business Case, cost model evaluation
Lara Sampson	UC Product Owner	Digital design and build overview, plans.
Craig Eblett [Redacted]	UC Technology Director UC Technology, Head of Security	Latest UC technology position and how integration is being managed and ensured.
Tommy O'Reilly	NISSA	Northern Ireland Devolution
Ian Wright	UC Programme Director	Programme Director's perspective
[Redacted]	UC Managed Migration Lead	
Janice Hartley	UC Implementation & Delivery Director	Live service position Digital implementation – delivery plans, infrastructure
Claire McGuckin	UC Operations Director	Ops view of deliverability of UC and capability build, view of how Full Service is currently performing