OFFICIAL SENSITIVE

UCPB22.218 – Paper No. BTL04

To: UC Programme Board Members

From: Karen Gosden
Sponsor: Susan Park
Author: [redacted]

Date: 19th February

cc: Richard Cornish

Paper Title: Update on Payment Quality and Accuracy (AP 02-191017 refers).

Summary

The **Full Service's** assessment and calculation functionality is very accurate which provides a solid foundation to build on

- Common errors are primarily caused by manual operation of the more complex parts of the process which have yet to be automated
- Performance on Full Service payment accuracy measured through Trust Payment has been stable - on, or over, 90% - for a number of months, and Tier 2 results have improved for the fourth consecutive month, with the January results at 88% for New Claims, and 89% for Claims Maintenance
- Our aim is to continuously improve payment quality and accuracy and this is enabled by a comprehensive improvement plan based on analysis of Tier 2 results and action required, along with a forecast trajectory, with tangible and sustained progress being achieved

Performance on **Live Service** measured through Tier 2 has been stable for a sustained period for both payment accuracy and process competence with continuous improvement arrangements well established.

Note: Definitions of the department's tiered approach to quality assurance and UC Trust Payment assurance are given at Annex 1.

Next Steps:

- In readiness for the next phase of roll out we have agreed a payment accuracy measure with the Programme Delivery Executive, based on Tier 2 results, which better reflects the quality of service we aim to deliver to our customers
- The 'One Service Quality Strategy' approach was successfully tested in Central England and Wales and the rollout is well underway across the country
- We will take steps to embed Tier 1 quality assurance activity within line management roles and we will be starting business testing of this the next few weeks

Action: Programme Board members are asked to note the progress that is being made and the next steps.

Timing: For the Programme Board meeting on 22nd February.

Introduction

1. The paper provides a general update on progress with Payment Quality and Accuracy in both Live and Full Service, including:

    - The One Service Quality Strategy and rollout of the underpinning approach
    - How we are using quality performance data to drive continuous improvement
    - The introduction of a single measure for payment accuracy to support decision making as we continue to grow in size over the next phase of roll out.
    - Forward Look – our plans to progress with quality as a transformation enabler for great service.

One Service Quality Strategy & Approach

2. Our ethos of great customer service is set out as follows:

    - UC will be a positive experience for customers and colleagues, working collaboratively and collectively to do the right thing, at the right time, every time.
    - Our people are fundamental in transformation towards great service delivery. We will encourage and empower them to reflect on and monitor their performance and seek ways to improve.
    - We will drive and support a quality led culture amongst our people and leaders that focuses on great service rather than quantitative targets – in line with the key principles outlined above.
    - We will support our people to deliver great customer service and instil a culture of continuous improvement.
    - To do this, our people need to be supported effectively with the right products and tools.
    - Underpinning this, we will have a clear assurance structure in place to drive improvements.

3. This drives our quality strategy:

4. Our quality assurance approach enables focus on continuous improvement with input from all relevant stakeholders including operations, programme, Quality Assurance Team, and policy.

Continuous Improvement – to date

5. We now have several months' of progress on our key performance outcomes. Performance on Full Service payment accuracy measured through Trust Payment has been stable - on, or over, 90% - for a number of months, and Tier 2 results have improved for the fourth consecutive month, with the January results at 88% for New Claims, and 89% for Claims Maintenance

6. We recognise that still leaves room for improvement both to improve where we are already live, and to sustain that as we bring new sites and colleagues on board through scaling. Our aims for that are set out below.

Scaling Measure

7. The assurance landscape is set out at Annex 2. To enable focus and simplicity we have developed a new measure which aims to:

   - Provide information and confidence that we are delivering good customer service and can respond where we are not;
   - Provide assurance that ongoing delivery and planned increases in scale are being managed in a safe and controlled manner.

8. In doing so we applied the following key principles drawn from the strategy:

   - Deliver a great UC service to our customers;
   - Do the right things for customers and doing them right;
   - Making the right payment, at the right time, every time.

9. Analysis of the Tier 2 results enabled a re-categorisation of errors with a focus on payment outcomes only. The new scaling measure excludes a category defined as "potential" from the calculation of the accuracy result. Programme Delivery Executive have approved the new measure.

10. We will start reporting 'test data' in February and March with the aim of formal reporting from April 18. For illustrative purposes the scaling measure for December excludes nine Tier 2 errors, equating to three percentage points, with the scaling measure therefore reporting at 88% against an 85% Tier 2 base.

Continuous Improvement – moving forward

11. Our continuous improvement approach will continue to use all available assurance data.

12. Our aim remains to support design, improvement and expansion activity across scaling, through migration and into business as usual:

    - Delivering the new measure to support ongoing scaling and expansion decisions, focussed on our key principles

- Underpinned by the use of Tier 2 findings on Customer Journey Points, Payment Accuracy, and Process Competence, to:
  - Assure ongoing service design, development and delivery, and
  - Enable targeted Tier 1 assurance and improvement activity

13. From Spring 2019, we will have an additional source of data through the first formal Tier 3 National Statistics on the Monetary Value of Fraud and (MVFE) Error in UC.

Next Steps

14. From April 18 the budget changes bring new features and some additional complexity; we will continue to use Trust Payment as an early warning to test new changes, but will cease to report these results.

15. Events running currently for all leaders new to the Full Service ensure they understand quality in the right context as a key feature of great service; this recognises the significant number of new leaders who joined Full Service during 17/18.

16. We will complete the rollout of the One Service Quality Approach which underpins the Quality Strategy to ensure this all comes together at the local delivery level; including testing the alignment of Tier 1 quality assurance within line management arrangements, one step closer to the customer experience.

17. We will continue to work with the programme to enable operationally led continuous improvement and prioritisation of design feature delivery to maximise quality and accuracy outcomes.

18. We will work with the Quality Assurance Team to conduct a more systemic review of Tier 2 to ensure it is working as a transformation enabler

Action: PB members are asked to note the progress that is being made and the next steps.

Timing: For the Programme Board meeting on 22nd February.

Annex 1

Quality Assurance – UC Trust Payment and the DWP Tiered Approach

Assurance Type	Features	Management Information
Trust Payment	1. This is UC specific and has no standing in the DWP assurance methodology 2. It was introduced initially to provide assurance when UCFS started to use auto-payment at scale 3. Cases are assessed against UC guidance and instructions 4. It is assessed internally within UC Operations, is focused primarily on payment aspects, and is available more quickly than T2 normally within two weeks.	• This was used as a proxy measure for payment accuracy until Tier 2 results were formally available from July last year • Since then it has run in parallel whilst Tier 2 has bedded in • Will be replaced by the scaling measure & retained for "early warning" purposes only.
Tier 1 Quality Assurance	1. UC Operations led, targeted assurance – informed by Tier 2 and 3 insight 2. Focusses on highest risks of error/customer service failure 3. Cases are assessed against UC guidance and instructions 4. Activity includes feedback and coaching/mentoring support to CMs, DMs & WCs.	• Tier 1 produces no reportable MI • As it is targeted at local risks areas, the error rate is only meaningful locally.
Tier 2 Quality Assurance	1. Formal DWP internal assurance by the Quality Assurance Team, part of the Counter Fraud and Compliance Directorate 2. Cases are assessed against UC guidance and instructions.	• Tier 2 reports on the accuracy of payments, identifying over and underpayments, and also assesses and reports the level of process competence • MI is published internally within DWP e.g. on the OET Dashboard.
Tier 3 Quality Assurance	1. Independent assurance on the Monetary Value of Fraud & Error (MVFE) 2. Managed by the Performance Measurement team using the NAO methodology. 3. Tier 3 provides an, evidenced based assessment of the legality of UC payments, based on the legislation and policy.	• This provides as assessment of monetary value of fraud and error (MVFE) including: o Customer Error o Fraud o Official Error • Estimates are published externally.

Annex 2

DWP Standard Quality and Accuracy Landscape

- Our approach to assurance is a key enabler to doing the right thing and deliver the right outcome for the customer. Delivered through a three tier approach, it brings together formal independent and informal assurance, alongside day to day [illegible]
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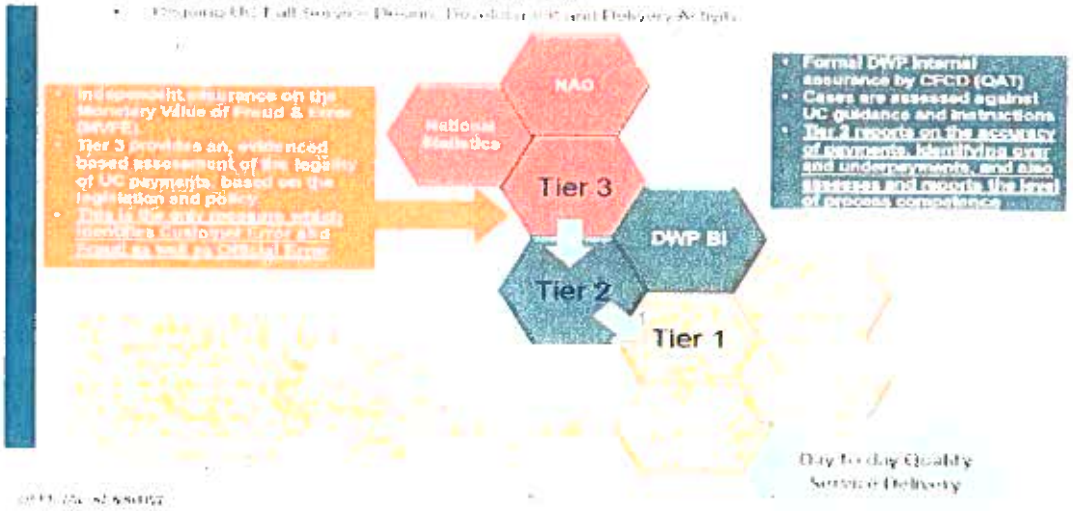
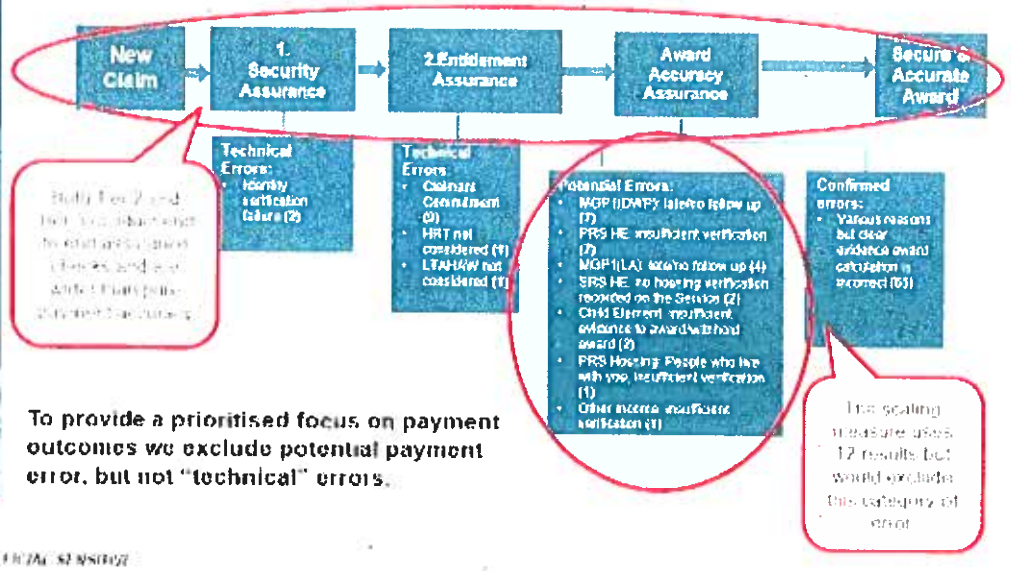


Why do we need a new measure for scaling? (2)

- The value of under and overpayments and
- Non financial aspects of service delivery [illegible]