To: Universal Credit Programme Board

From: Ian Wright

Date: 14th September 2017

**Summary:** This paper provides the Programme Board with the Programme's assessment of readiness to scale the service in October and to inform its advice to the Senior Responsible officer.

Following a recent scaling assessment the Programme's view is that we are now ready to scale in October in line with the currently agreed roll out schedule. Assessment of the Scaling criteria through our governance has confirmed the maturity of the service, readiness to scale and identified residual risks. Going forward we have identified the areas of the service that we will continue to develop beyond October through continuous improvement.

In terms of the scaling assessment the Programme has agreed an overall Amber/Green readiness rating for October confirmed by the recent stakeholder review meeting held on the 14th September. Independent assurance through the IPA have also endorsed the scaling plans.

On this basis the Programme is recommending that we are ready to commence scaling the service in October.

**Assessment of Programme Readiness**

## 1. Background

The purpose of this note is to:

- Describe the steps the Programme has taken to de-risk our roll out schedule and delivery plan for scaling;
- Explain the governance arrangements that we have employed to assure the scaling decision;
- Explain our scaling criteria including the current status of metrics and go to green plans that have informed the scaling assessment;
- Highlight the activities that will form the post October activities to continually improve the service
- Recommend that we are good to go for scaling the service.

To ensure a safe and secure delivery the Programme developed a phased Test and Learn approach that allowed volumes to be controlled in line with the maturity of the Service and ensure we gained the invaluable learning of dealing with all claimant types over the recent months. Our approach has been designed to drive continuous improvement, ensuring that we built on experience and evidence. In developing this firm evidence base for the programme, we have been able to identify and tackle problems that have arisen and planned accordingly with a good understanding of the issues at hand. This delivery approach has utilised best practice from large scale digital transformation programmes.

Working closely with Operations and Delivery Partners has enabled the Programme to establish the mature foundations required for scaling the service. In terms of delivery, the Programme has and continues to make good progress, with all key governance bodies confirming our readiness to scale. A summary of the most notable achievements is summarised below.

- The Live service has now fully rolled out across the whole country – some 714 Jobcentres, to mainly simple cases. Implementing the service in this way has enabled the Programme to 'pipe clean' the implementation approach across the country, familiarising staff and key stakeholders including Local Authorities and HMRC with Universal Credit;
- For the Full Service we have carefully moved forward with the Transition phase. Having commenced in May 2016 we have been expanding the Full Service to accept claims for all claim types. We have only expanded the implementation when it has been safe to do so. Regular firebreaks and stocktakes have and continue throughout the expansion be utilised to assess and evaluate how the service is improving;
- To assess/evaluate at each stage the Programme has prepared outcome based scaling criteria that include metrics and milestones to provide fact based analysis to support decision making. The scaling criteria provides the basis for the scaling assessment and metrics and milestones provide the data on the performance of the service within operations and build delivery performance by the Programme;
- Since commencing the Transition phase in 2016 the Programme has successfully rolled out the Full Service in line with the agreed planned roll out schedule and we have recently successfully accelerated the roll out to 29 offices from July 2017 – having met agreed entry criteria for that phase. The implementation of the 29 Jobcentres in July has proceeded successfully with positive feedback on the implementation. Of the 29 Jobcentres, 8 of the larger ones went live with 50% of postcodes to stagger implementation with the outstanding 50% on track to go-live in September. The success of this implementation has given future confidence that the Programme is set-up to manage the logistics of the planned roll-out volumes in October.
- This first step up in pace for the roll out was achieved with no adverse impact on the service and operational performance continuing as expected. The Full Service is now operating in over 100 offices nationally, and we have already published the planned roll out schedule to completion, allowing partner organisations to plan. For Local Authorities and HMRC in particular, this will mean the closing of access to housing benefit and tax credits respectively in each geographic area as we roll out. We anticipate completing the roll out by September 2018 – **Annex 1** provides a summary of the roll out schedule.

## 2. Governance

We have managed the expansion through Programme governance and close collaboration with operations, key stakeholders and delivery partners. Through the Internal Delivery Healthcheck Group (IDHG), we have regularly scrutinised progress against our readiness criteria with operations, identifying and resolving key issues as we continue to expand. For governing the scaling assessment we

have employed a tried and tested Operational Readiness Review process, derived from agreed exit and entry criteria, underpinned by fact based reporting metrics and milestones.

We have undertaken stocktakes on a monthly basis and this has led to healthy / stringent assessment of readiness, and identified risks requiring mitigation for scaling. The Programmes governance timeline for the assessment to commencement of scaling and beyond is described at **Annex 2**.

In addition independent assurance through both a 2nd and 3rd line assurance review has been undertaken throughout this period, supporting and assuring Programme decision making.

## 3. Scaling Readiness Criteria

To support the Programme in assessing readiness for scaling a set of outcome based entry criteria were agreed. At a summary level the outcomes for the assessment cover 7 areas:

- Affordability
- Capacity
- Capability
- Case Progression
- Fraud and Error
- Security
- Service Stability.

For each area, specific and detailed entry criteria have been developed and agreed, including metrics and milestone-based go to green plans to track readiness, progress and delivery.

The scaling criteria is used to continually assess progress and readiness for scaling. Employing the criteria in this manner has enabled the Programme to focus on areas of risk and drive the necessary improvements for scaling.

**Annex 3** provides an extract of the key metrics we are tracking for scaling, which are routinely reported to the Programme Board, and **Annex 4** provides the status from the most recent (September) stocktake assessment, providing an overall Amber/Green rating for scaling.

## 4. Performance Improvement

In addition to the scaling criteria the Programme is continuously working with Operations to support performance improvement activities. This has been monitored through the Programme's Implementation Control Centre and the Operational Centre. There have been some significant improvements over recent months, these include:

- **Payment Timeliness** – The final measure now consistently in the range of 78-80%. There was a slight decline for the last week of August as a result of

the bank holiday and the peak leave period for our staff. Very encouragingly, performance in the 29 Jobcentres which switched to full service in July, is even stronger: with an interim measure of 79%, which should translate in the final data to 84% of people paid in full at the end of the first Assessment Period.

- Equally encouraging is the fact that **96% of cases are paid in full within four weeks of their payment due date**

To support further improvement we have developed a 'landlord portal'. The portal provides access to the service to social-sector landlords, enabling them to share the information required for verification and arranging managed (or direct) payments to landlords where claimants fail to pay their rent. Expansion of the portal will begin in October, initially bringing on the largest social-sector landlords to maximise the proportion of new claims processed automatically and avoiding the need for clerical input.

Testing of the Landlord Portal has been undertaken and we are already managing 10% of the social-sector caseload via this route. Compared to analysis from Poplar Jobcentre:

- Landlords are now responding to DWP **within 2.6 days compared to 10 days**;
- Verification has improved from **21 days to 9 days**.

**Annex 5** demonstrates the improvements that have been achieved across the key metrics.

## 5. Post October Continuous Improvement Plans / Managed Migration

We have a clear understanding of the elements of the service that we will focus on through to February to continuously improve. We have purposefully planned in development capacity from October through to February to enable us to respond to any issues or fixes that are identified following the October scaling.

The Programme has a proven record of deploying new software features and has, to date, successfully deployed over 70 releases. The Programme is therefore confident of its ability to respond to new or emerging system demands post October.

A summary of the continuous improvement areas is included at **Annex 6**. Driving the improvements for the service in this manner will enable the Programme to sustain the planned roll out schedule as we move towards our next phase of scaling which is scheduled to commence in February.

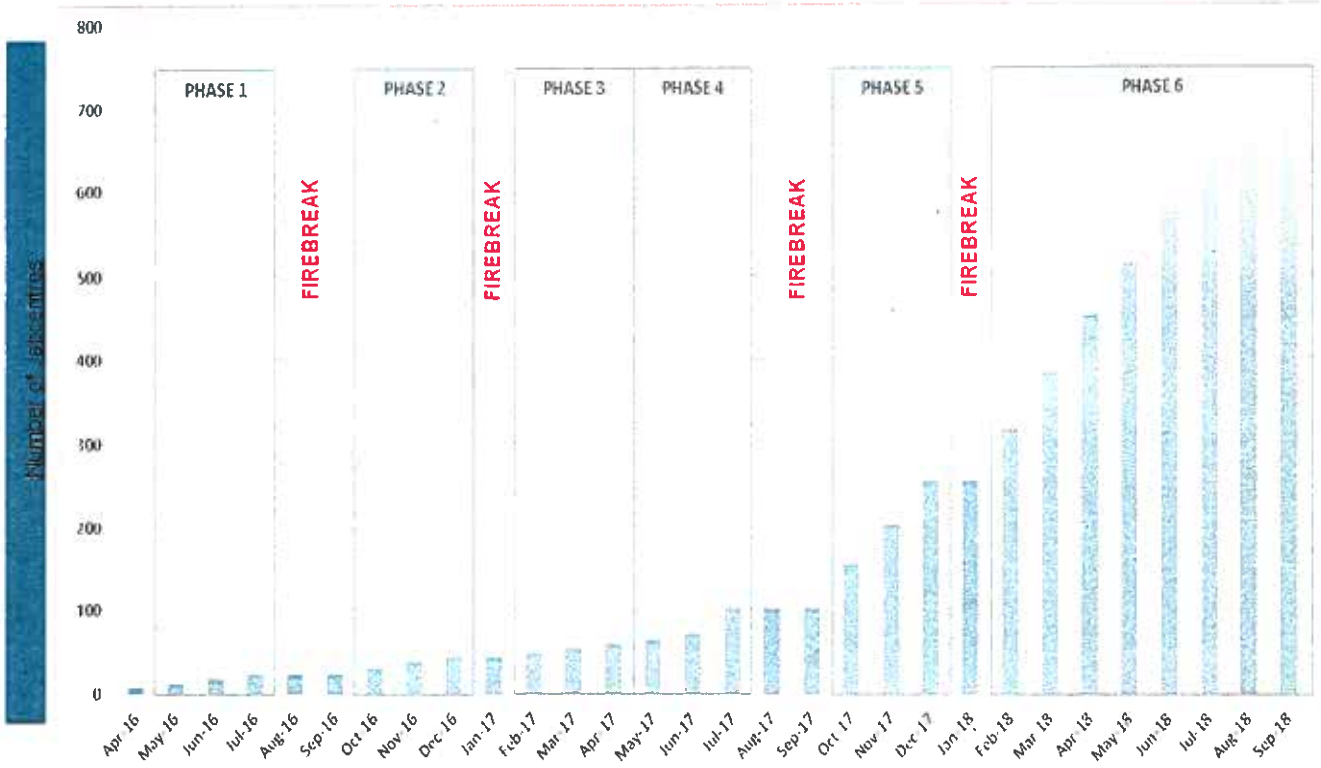
In terms of the wider plan, the Programme is now beginning to fully mobilise plans for the delivery of Managed Migration, current plans anticipate that managed migration will commence in July 2019.

## 6. Summary and Recommendation

Taking all of the evidence, into account and following a full stakeholder assessment of readiness held on the 14th September the recommendation for the Board is that we are good to go for scaling. All governance bodies have endorsed the recommendation.

Ian Wright

Annex 1 – UC Rollout Schedule



Annex 2 - Governance Timeline through to Commencing Phase 6 in February

| Phase | Assessment Type | Key Dates | Notes |
|---|---|---|---|
| August Firebreak | Stocktake | IDHG – 25/7/17<br>TPG & UC OET – 1/8/17<br>PDE – 2/8/17 | |
| Phase 4 (July – remaining post codes for 8 sites<br>First site 06/09/17 | Stocktake | IDHG – 29/8/17<br>TPG & UC OET – 29/8/17<br>PDE – 30/8/17 | Commencement order published 07/06/17 |
| Scaling Assessment<br>Phase 5<br>First Go Live 4/10/17 | Formal Assessment | 14/09/17<br>IPA – w/c 04/09/17<br>TPG & UC OET – 12/9/17<br>Programme Board 21/9/17<br>PDE 27/09/17 | Commencement Order due for October to December on 29/09/17 |
| Phase 5<br>October Stocktake<br>First November go lives – 1/11/17 | Stocktake | IDHG – 23/10/17<br>TPG & UC OET – 24/10/17<br>PDE – 25/10/17 | Commencement order published 29/09/17 |
| Phase 5<br>November Stocktake<br>First December go lives – 6/12/17 | Stocktake | IDHG – 20/11/17<br>TPG & UC OET – 21/11/17<br>PDE – 29/11/17 | Commencement order published 29/09/17 |
| Scaling Assessment<br>Phase 6<br>First Go Live 7/2/18 | Formal Assessment | IDHG – 23/01/18<br>TPG & UC OET – 30/01/18<br>PDE 31/01/18 | Commencement Order due for February to September (TBC) on 2/2/18 |

# Annex 3 – Key Metrics for Scaling v Critical Outcomes

UC

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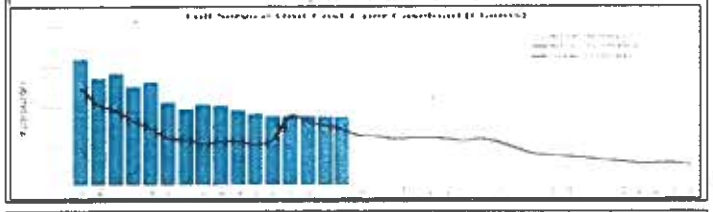
## October 2017 Scaling – Progress Against Critical Outcomes

**Affordability** — Service can be effectively delivered within agreed tolerance of funds

- Unit Costs (forecast v actual)
- Actual for July 2017 is £876 against target of £723



**Capacity & Capability** — We have the right number of people in the right job roles trained and UC confident to deliver a service that enables the Business Case Outcomes to be achieved

- FTE forecast v actual – following Quarter (including contingency)

| Measure | | Apr '17 | May '17 | Jun '17 | Jul '17 | Aug '17 | Sep '17 | Oct '17 |
|---|---|---|---|---|---|---|---|---|
| Average FTE - Service Centres - (Forecast v Actual - demand being met in line with rollout plan) | Demand Forecast inc contingency | | | | | | | |
| | Supply | | | | | | | |
| Average FTE – FS Work Coach - (Forecast v Actual - demand being met in line with rollout plan) | Demand Forecast inc contingency | | | | | | | |
| | Supply | | | | | | | |

**Fraud & Error** — We can identify and prevent Fraud & Error and manage risk effectively

| Measure | Dec '16 | Jan '17 | Feb '17 | Mar '17 | Apr '17 | May '17 | Jun '17 | Jul '17 | Aug '17 | Sep '17 | Oct '17 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Percentage Claimants paid accurately (where calculated through Autocalc and Autopay) | | | | | | | | | | | |

Levels of Monetary Value of Fraud & Error (MVFE) — Formal MVFE checking for the UC Full Service will begin Autumn 2017 and will repeat late 2018 at the earliest

**Case Progression** — An effective and end-to-end service is delivered which allows agents to adopt a case progression approach to their caseload, resulting in:

- Building trust with the claimants by paying accurately and on time and by allowing agents to support additional needs by understanding the whole claim
- Reducing inefficiency by supporting agents to understand how work is flowed and what work needs to progress

- % claimants paid on time including the first Assessment Period) – not by Postal Electronic Payments (PEP) – 45%

| Measure | | Dec '16 | Jan '17 | Feb '17 | Mar '17 | Apr '17 | May '17 | Jun '17 | Jul '17 | Aug '17 | Sep '17 | Oct '17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Percentage of payments made on time | Target | | | | | | | | | | | |
| | Actual (all Assessment Periods, some payment inc FEP | | | | | | | | | | | |
| | Actual (all Assessment Periods, some payment not by FEP | | | | | | | | | | | |
| | Actual (1st Assessment Periods, some payment inc FEP | | | | | | | | | | | |

**Security** — Service is secure with appropriate accreditations and agents & claimants are assured that it is the case

| | | |
|---|---|---|
| | | Complete |
| | | On track |

[redacted]

**Service Stability** — End-to-end services resilient (about and can handle throughput with assisted Business Continuity procedures in place

- 99.90% Claimant and Agent site availability
- 99 % of common actions completed within 2.5 seconds – claimant and agent site page response times

| Measure | Oct '16 | Nov '16 | Dec '16 | Jan '17 | Feb '17 | Mar '17 | Apr '17 | May '17 | Jun '17 | Jul '17 | Aug '17 | Sep '17 | Oct '17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 99.90% Claimant Site Availability (end-to-end) – October Target / 99.97% Claimant Site Availability (end to end) – Pre-October Target | | | | | | | | | | | | | |
| 99.90% Agent Site Availability (end-to-end) – October Target / 99.97% Agent Site Availability (end to end) – Pre-October Target | | | | | | | | | | | | | |
| Claimant site page end-to-end response times Pre – Oct: 99.95% essential actions completed within 4.5 seconds / October – 99.90% essential actions completed within 2.5 seconds | | | | | | | | | | | | | |
| Agent site page UCF response times Pre Oct: - 99.95% essential actions completed within 4.5 seconds / October – 99.90% essential actions completed within 2.5 seconds | | | | | | | | | | | | | |

| Service Hours Lost 01/08/17 to 10/09/17 | Service Hours Available | Service Hours Lost – UCFS | Service Hours Lost – DWP Network & Desktop | Total Service Hours Lost | Service Hours Lost as % |
|---|---|---|---|---|---|

Site Availability Against Target

**Benchmarks – Further benchmarks to follow**

| | Jan '17 | Feb '17 | Mar '17 | Apr '17 | May '17 | Jun '17 | Jul '17 | Aug '17 | Sep '17 | Oct '17 |
|---|---|---|---|---|---|---|---|---|---|---|
| Claimant ID verified by day 10 | | | | | | | | | | |
| Claimant commitment accepted by day 10 | | | | | | | | | | |
| Claim evidence verified (including non-DM decisions) by day 20 | | | | | | | | | | |
| Payment blocking To-Dos cleared by day 20 | | | | | | | | | | |
| Decisions made by DM (where required) by day 25 | | | | | | | | | | |

# Annex 4 – Scaling Status

**Overall Rating =** Oct: Amber / Green

| Critical Area | Critical Outcome | Oct | Narrative |
|---|---|---|---|
| **Affordability** | Service can be delivered within agreed tolerance of funds | Amber / Green | • **Funding:** Required funding is in place.<br>• **Unit Cost:** Most recent data (July) shows costs are currently running above forecast – but this is not unexpected due to the scale of recruitment into the Service and notable variation between forecast and actual volumes. Further volume forecasts are currently being updated in line with finalising the FBC.<br>• **ID Verify:** Continuing to trend below target – latest figure is 33.6%.v Forecast (40%) Verify assumptions have also been reviewed to input to the FBC – PDE agreed 50% for 2018/19 and agreed additional resources for Operations for 2017/18 and 2018/19 |
| **Capacity** | We have the right number of people in the right locations to deliver a service that enables the business case outcomes to be achieved | Amber / Green | • **Resourcing:** Overall recruitment continues to run ahead of forecast, and plans confirmed through to December 2017. All resource plans will be impacted in line with the volume update for the FBC.<br>• **LDO Capacity:** Closely monitoring plans to ensure sufficient numbers of LDOs are in place with the ability to deliver required standards of training – all confirmed for Phase 5 but needs close monitoring post October |
| **Capability** | We have trained and UC confident people to deliver a service that enables the business case outcomes to be achieved | Amber | • **My Digital Learning Journey:** the proportion of staff achieving required levels on their Learning Journey continues to trend positively. There is some site-level variation which is being addressed by OED and operations.<br>• **Policy Outcomes:** Scaling measures continue to trend positively i.e. proportion of claimants moving in to work.<br>• **L&D:** The amber rating for this area reflects the scale of recruitment, the amount of technical training required and the fact that learning modules (e.g. health & housing) continue to mature. In addition, mentors (usually high-performers) are off-line and supporting learning consolidation at new sites. Needs to be closely monitored. |
| **Case Progression** | An effective and efficient end-to-end service & secure and accurate payments are delivered by staff to claimants who trust the online channels and can self-serve, to those with additional support needs which are addressed | Amber | • **Measures:** Latest data continues to show an improving trend for payments in full, calls proportionate to caseload and handover ratios.<br>The following areas require further improvement:<br>• **Claimants with Complex Needs:** Site plans to support vulnerable claimants are in place and more is planned to ensure improvements are fully embedded and staff have the confidence to respond flexibly to such cases.<br>• **Telephony:** Plans for the pilot solution are on track but will commence after the start of scaling.<br>• **Housing:** Whilst a number of improvements have been made to the process and notable performance improvements to SRS verification rates, further work required to fully deliver anticipated benefits from the landlord portal |
| **Security** | Service is secure with appropriate accreditations and agents & claimants are assured this is the case | Amber / Green | • **Security:** All risks understood with risk treatment plans in place with mitigating activity on track. 5 RED risks (2 UCFS specific) tracked through D-SRAF. Departmental security rating remains AMBER |
| **Fraud & Error** | We can identify and prevent Fraud & Error and manage risk effectively | Amber | • **Performance:** Payment accuracy (July = 86.5%) and Tier 2 MVE performance (July = 79.8) are showing improving trends although more required to drive performance above 90%. Key areas for improvement identified (i.e. Housing, Children, Migration and Claimant Commitment) are understood and improvement plan in place. |
| **System Stability** | End-to-end service is resilient, robust and can handle throughput with assured Business Continuity procedures in place | Amber / Green | • **End-to-End System Performance:** Plans are being secured to ensure end-to-end system performance is measured and monitored – although it is expected that this will be delivered after the start of scaling.<br>• **Continuity:** Plans in place to test manual payment continuity processes mid-September.<br>• **Product Support:** Required agent support resources for scaling now tracking green, support processes and organisation in place and Jira upgrade tested and due to be implemented 16/09. |



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Annex 5 – Headline Performance Data

| Measure | January | May | Latest |
|---|---|---|---|
| UC Caseload FS | 82,359 | 145,551 | 201,196 (03/09) |
| Offices rolled out | 44 | 70 | 101 |
| Unit Cost | £963 | £823 | £879 (July) |
| All AP's – Some payment | 86% | 92% | 97%* |
| All AP's – Full Payment | 74% | 87% | 91% (July) |
| First AP – Some Payment | 74% | 80% | 91%* |
| First AP – Full Payment | 64% | 65% | 76% (July) |
| Autopay | 53% | 86% | 96% (July) |
| Autocalc | 35% | 56% | 61% (July) |
| Housing - Percentage SRS verified | 39% | 77% | 74% (July) |
| Verify | 30.6% | 31.9% | 33.6% (Aug) |
| Claimant contact - % claimants calling | 57.6% | 31.8% | 27% (21/08) |
| Percentage of calls answered | 83.10% | 94.2% (May) | 87.5% (21/08) |
| Average Speed of Answer | 7.26 minutes | 1:33 mins | 4.07mins (21/08) |
| Average Handling Times | 10.19 mins | 9.01 mins | 9.41 (21/08) |
| DMA HOW | 40? | 13.6 | 7.0 (03/09) |

Indicative figures for August

# Annex 6 – Continuous Improvement Areas

| Risk Areas | Update |
|---|---|
| **Resource – Delivering Contingency volumes** | 2017/18 demand includes agreed contingency. Recruitment/transfer plans in place and remain on track apart form a handful of hot spots. Geographical alignment plan in place through to December |
| **Live Service Transfers** | Activity has completed for 35 sites, with a further 20 in progress. Some sites are not completing their transfers within a 3 month window. Continue to work with Operations to improve completion of activity and develop a scalable database and deliver efficiencies through automation. |
| **Case Management** | Latest Performance data continues to show significant improvement. Case management (trigger based) rolled across SC network and a number of features delivered to support agents adopting case progression. Further features in progression and MVP Strategic Appointment booking due October. Work on going to test caseload scalability in Service Centres and Jobcentres |
| **Housing** | Number of improvements made to the verification of Social Rented Sector housing costs including implementation of Trigger 0. Landlord portal now live with 13 trusted partners with plan agreed for wider rollout from October. SRS Verification performance significantly improved. Further work required to fully deliver anticipated benefits from the landlord portal. |
| **Claimants with Complex needs** | Several Improvements made to improve process and support with complex needs plans established for every site. Further work required to fully embed changes and deliver a corporate appointee process. Concerns remain with scale and process for dealing with customers with Health issues and the self employed customer journey |
| **First Assessment Period** | Number of changes and guidance delivered to speed up or reallocate processes through fist AP. Significant improvement in payment timeliness for partial and full payments with work now focussing on the latter and in particular child and housing payments |
| **Telephony** | Delivery of strategic solution delayed, with pilot now commencing later in October with outline plans to rollout nationally early 2018 (subject to outcome of pilot). Contingency telephony plan agreed at UCOET 15/08 and will be closely monitored. |
| **MI Delivery** | MI operations Dashboard rolled out to all sites with positive feedback. Interim MI tool removed and forward look developed to iteratively develop dashboard further driven by operational needs and establish secure log in access to Operations Dashboard |
| **DMA** | Good progress made in reducing DMA FS head of work with 250 FTE additional staff now in place and trained. On going risk of balancing performance and customer service across Full and Live Service |
| **Fraud Error and Debt** | DM resources and licences in place for 2017/18. Work continues to remediate DMS and confirm FES capability in line with increased volumes |
| **Security** | All risks understood with risk treatment plans in place with mitigating activity on track. 5 RED risks (2 UCFS specific) tracked through D-SRAF. Departmental security rating remains AMBER |
| **AWS Migration** | Migration to Amazon Web Service completed 24/06 using PSN. Plan for cut-over to strategic solution (SCEB) being finalised with agent traffic cut over planned for 24/09. |
| **Business Continuity/Product Support** | UCFS playbook established with work in train to build in maintain payment procedures and undertake final testing mid September. Product support arrangements for October established with work planned to deliver and establish the April 2018 Product Support Target Operating Model |
| **Verify/PYID** | ID verify continues to trend below target with Ops resourced to cover difference. PYID to be tested and evaluated in 5 sites/500 claimants in Nov/Dec to inform national rollout decisions |
| **Accuracy/MVE** | Accuracy performance static at 85% (to July). Tier 2 / MVE reporting, along with Payment Accuracy (Trust Payment) reports, highlighted top 5 areas of error with improvement plan in place with initial signs of performance improvement |