

To: UC Programme Board**From: JP Marks
Work and Health Services
Director General**

Universal Credit Operations Update

Payment Timeliness in the first assessment period is at 88.7%, the joint highest on record and 4.2% up on the same week last year. For week commencing 19 August, 24 of the 25 Service Centres are above 85% and 7 Service Centres above 90%. Subsequent assessment period payment timeliness is at 95.4%. The overall claims to pay in week is now over 440k.

Unit Cost and Caseloading The July in-month actual headline unit cost has marginally increased by 1% to £387 primarily due to the final tranche of Employee Deal led pay increases. Despite this increase we still expect that the unit cost will continue to improve as the pay award is absorbed. The target unit cost is £321 with actuals 20% above target.

As caseloads continue to increase, we are reviewing this risk and work on balancing workload and productivity continues. A trial to test balancing workload effort rather than caseloads is commencing in Stockport and Derby Service Centres, and we are developing this insight to inform longer term planning.

PCS Union There has been no further Industrial Action in Walsall and Wolverhampton Service Centres and their mandate has now expired. Another ballot for Industrial Action took place in August for these two sites, however it did not reach the threshold of votes required to secure a further mandate.

A new ballot was held for colleagues in Stockport Service Centre which did provide a mandate for PCS colleagues to call Industrial Action, leadership teams commenced a series of dispute resolution meetings, but these did not prevent Industrial Action taking place on 27 & 28 August in Stockport. Work continues with our regular engagement with the Trade Union at a national and local level to ensure lines of communication remain open.

Securing Advances We have completed the majority of the agreed short and medium term actions and continue to conduct significant volumes of Interviews Under Caution. From the range of test cases we have submitted to the Crown Prosecution Service, there are now a number at the prosecution stage. Testing and impacting of future design changes continues with two significant design changes due in P8. In September we introduce increased face to face verification to disrupt scamming, and in November we introduce real time verification of children to prevent misrepresentation.

Telephony

- For Sept 2018 to Aug 2019, UC telephony performance for calls answered was 88%, with an average speed of answer of 3 minutes 57 seconds;
- In August 2019, 95% of calls within integrated telephony were answered with an average speed of answer of 2 minutes and 2 seconds;
- A new calculation has recently been agreed for the Average Calls per Case Manager metric that takes into account part-time workers. In August the Average Calls per Case Manager is 64.7 a week.

The **Labour Market Operational Group** has developed a narrative to support senior leaders to coach and tell the story behind our Labour Market journey. This tool allows leaders to remind colleagues of the benefits of regular interventions but to also enable them to feel empowered to personalise the customer journey, highlighting the need to provide a different service delivery offer based on the customer requirements and ability to self-serve. The Labour Market Operational Group also continues to support the efficient and effective interventions offer – a plan is being developed for Digital Plus to be rolled out in a further 100 sites this operational year (50 in November and 50 in January), this is in addition to the 26 sites that are already in the learning phase where evaluation of these sites will continue

Labour Market Campaign The year 1 evaluation report was shared on 23 August with operational colleagues. The findings and progression of the recommendations will be discussed at the Labour Market Operational Group (LMOG) on 19 September. Activity is underway to create a monthly update for August and a mid-year report to share year 2 successes. Engagement on the intranet site and discussion group is growing, the membership of the discussion group is now 1078 – this is an in-year increase of over 12%. We continue to work with operational stakeholders to develop good news stories and best practice articles that support the eight LMOG priorities.

The Orientation Group A representative from the Claimant Orientation Group has been invited to the Scottish Customer Representative Group (the group consists of partner organisations such as Child Poverty Action Group, Scottish Prison Service, NHS, Citizen's Advice Scotland) to provide an update on improvement activity. This will be a great opportunity to showcase new and improved orientation products such as step by step navigation and guides such as ESA New Style, Homeless and Prisoner Leavers on GOV.UK and Understanding Universal Credit website and Youtube videos. There will be a reminder on how third parties can keep in touch with changes via channels such as GOV.UK daily updates and Touchbase and escalate individual claimant issues or raise generic questions if they need too.

FSF Childcare Following the introduction of the new Flexible Support Fund (FSF) Childcare account codes, childcare expenditure continues to be tracked. Service Design and Transformation are leading a compliance exercise to ensure the correct recording of FSF expenditure and ultimately provide the department with robust financial information from Period 6 (end September 2019) onwards.

FSF- Barrier Awards The introduction of the open market from the 01 June has given Work Coaches the flexibility to source items from retailers that offer the best local customer service/ delivery options. We have now had transactions with in excess of 50 different retailers. To support the use of RBS Approval2Buy (A2B) additional upskilling sessions are being arranged in September. This will be followed by some targeted Go Look See visits in October.

Latest Labour Market stats released this month show:

- More people are in work than ever before. The employment rate is at a joint record high – 76.1%. The unemployment rate is 3.9%.
- Female employment is at a record high – 72.1%
- The ethnic minority employment rate is 66.2% – a near record high
- The disability employment rate is 52.6%. There were 4.1 million working age disabled people in employment in the UK in Q2 2019. This was an increase of 246,000 since last year (Q2 2018).
- Youth unemployment level has almost halved since 2010, to a near record low

Decision Making Habitual Residency Test (HRT) and other Payment Blockers (PB) decisions are maintaining a strong performance at 95.6% for HRT fast track; 86% for full HRT, and 87% for other payment blockers seeing a 14% increase in HRT performance outcome since April 19. We are able to maintain working 21 days ahead in HRT and 10 days in PBs, which appears to give an optimum level of performance.

Resource has recently been re-deployed from these areas without loss of productivity or timeliness to drive down the UC Work Capability Assessment outstanding caseload. This has resulted in an increase of outputs of over 49% in the last 6 weeks and reducing outstanding cases by 33,476. The age profile has reduced by 18.2 days with current trajectories showing a much improved position will be achieved by September 19.

Following the completion of the outstanding aged sanction cases and appeals prior to April 19, we are continuing to support our colleagues in the clearance of mandatory reconsideration; appeals and sanctions over 2 months old.

Health - We are working through the governance steps required to roll out placing the Work Coach at the heart of the referral process, helping to ensure customers feel supported throughout, that referrals are on

time and improving overall quality. As part of this we will test out the process on a larger scale in Dundee Service Centre and linked Jobcentres starting from 16 September. This will allow us to test out the implementation approach whilst also ensuring there are no unintended consequences from rollout.

UC complaints as a percentage of the caseload remains unchanged at 0.04% in July.

Achieving 95% payment accuracy The payment accuracy Caseload Growth 3 Month Rolling Average is at 91% (July in-month measured at 91%, and June in-month 94%). We are continuing to address root cause of error and drive improvement. Our plans to share localised accuracy data have now been successfully implemented and we are starting to track variation. We are currently focussed on the key generic cause of error including considering increasing engagement and support on consistently applying case management principles