

To: UC Programme Board

From:

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Sponsor:

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**Mid-Year Consolidation Report**

**Universal Credit (UC) Programme**

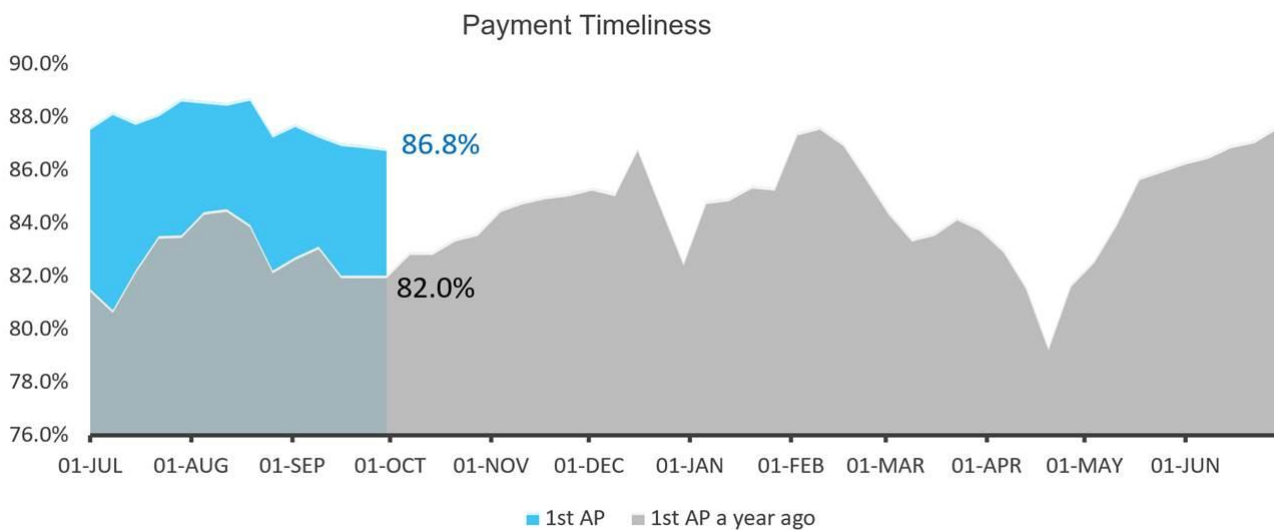
This paper updates Programme Board on how we continue to consolidate performance and capability to ensure the continued safe and secure delivery of Universal Credit.

In particular, Programme Board are asked to note the following:

- Performance is strong, but we know that as caseloads grow, that could be at risk
- We are now getting traction on our flexible labour market offer, which will not only bring our job broking activity into the digital world, but also have the potential to create resilience in the event of increased demand in Jobcentres
- Emerging work on understanding work generated by caseloads gives us a more sophisticated view of productivity and pressures, and demonstrates why we are seeing stress beginning to show in parts of the network
- Telephony ....

**Achievements and performance to date**

Figures show there are now more than 2.5 million claimants on Universal Credit, with continued strong performance across key performance indicators, in particular payment timeliness:



## Increased confidence in latest modelling

We undertook significant improvement activity in our activity forecasting in the lead up to the Spending Review, particularly in the areas of case management and telephony. The switch to UC evidence removes historic legacy based assumptions and is a significant milestone towards a consolidated articulation of the service which removes the necessity for additional contingency funding. These updates increased projected costs in 20/21 by £121m.

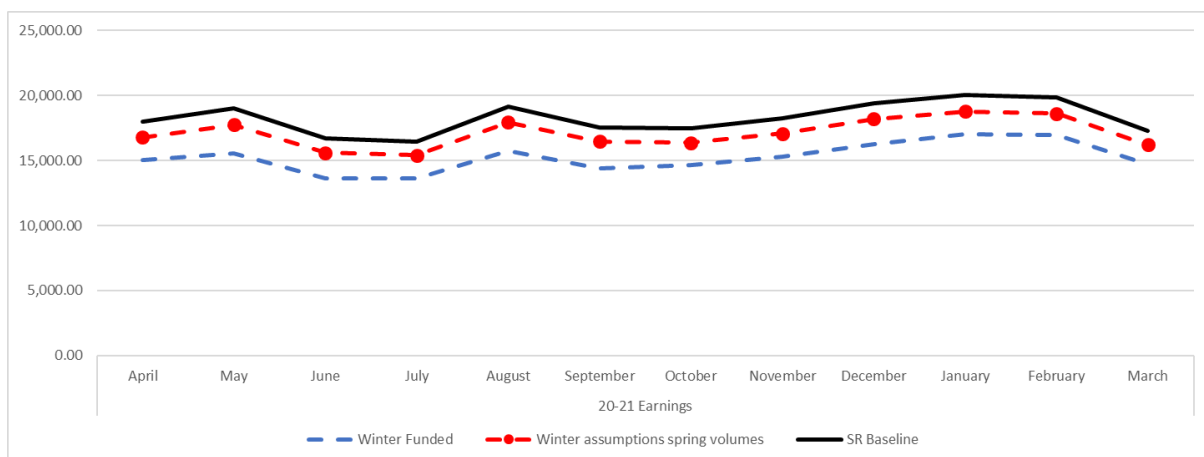
40 high cost Service Centre lines are impacted by UC evidence work and we now have:

- An improved understanding of occurrence and frequency of activity
- Replacement of historic assumptions with UC evidence

Updated telephony forecasting approach to replace previous tactical assumptions

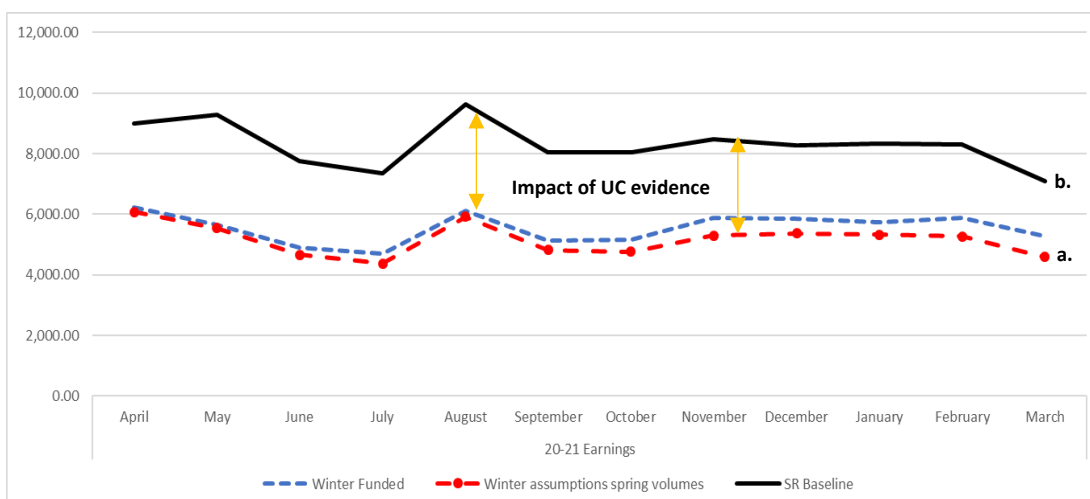
- New call forecasts have been implemented for 20/21 onwards using the latest telephony actual call data
- Improved approach to using early insight on reasons for call to help estimate the volume of integrated telephony calls that aren't funded in existing DCM activity lines

## Jobcentre



- Update to spring volumes increased Jobcentre demand from Winter Plan by 12% in 20/21.
- Although overall caseload forecasts fell, the number of cases forecast to be in full conditionality increased, driving up JC demand.

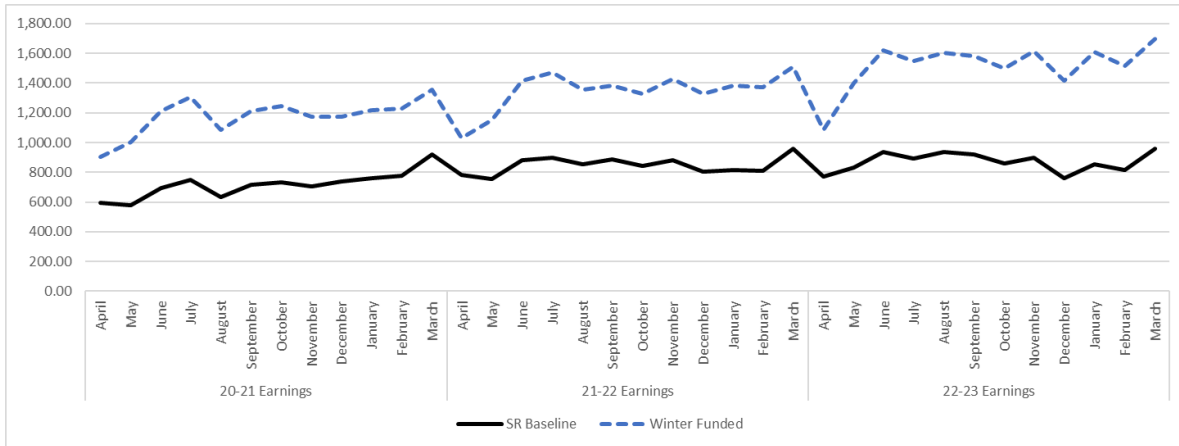
## Service Centre



- Update to spring volumes forecast less caseload for UC and reduced Service Centre demand from Winter Plan by 7% in 20/21
- In spite of volume reductions, the UC evidence work has increased SC demand by 50% from Winter plan

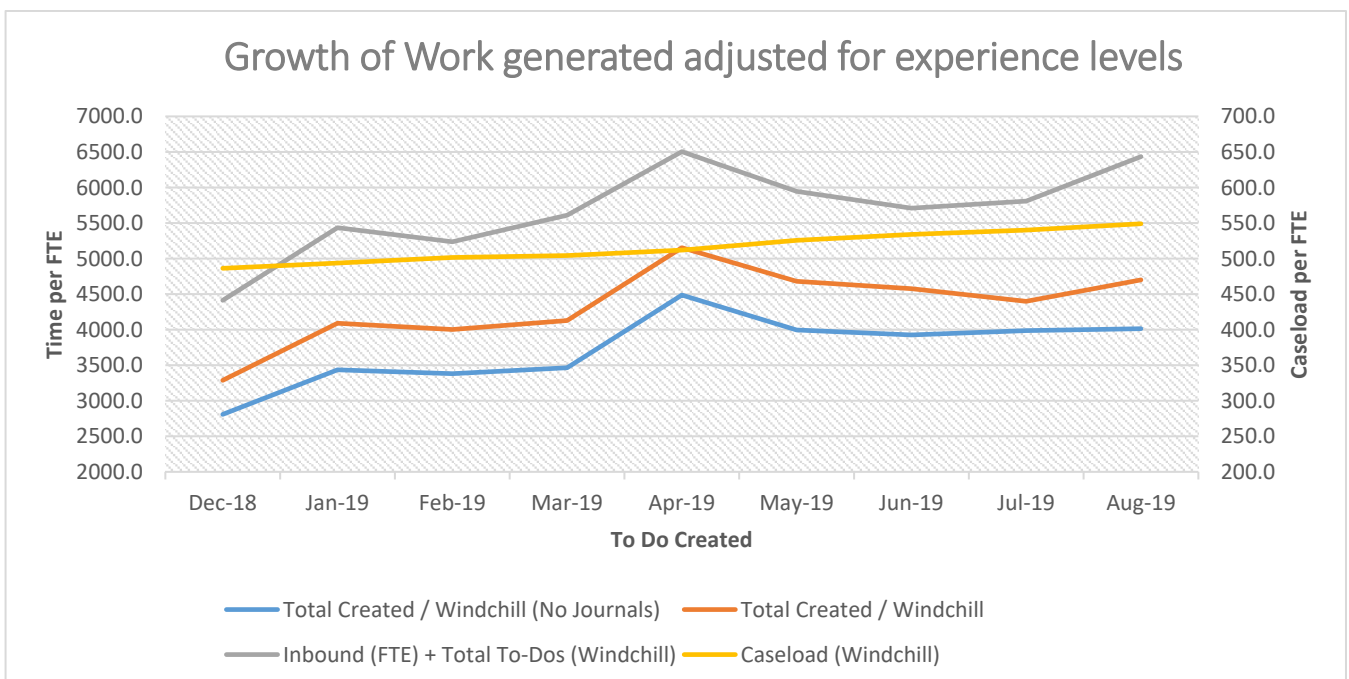
### What we've learned... maturity of caseload

Maturity of caseload contributes less to unit cost improvement than previously thought



- UC evidence has redefined our understanding of scale and frequency of activities. Changes to our understanding of the impact of caseload maturity are visible through reductions to forecast cases per case manager in the latest modelling.
- This will require a more proactive approach to targeting high frequency, high effort activities. We will use the new insights from UC evidence and workload measures to support prioritisation

### What we've learned ..... work/effort generated vs caseload sizes



What we are beginning to understand about the work generated by individual cases (and the experience levels of case managers) is shifting our perception of how cases should be distributed to ensure sustainable levels of work. In addition, the volume of integrated telephony remains high (although continuing to reduce on a 'per claim' basis) and increases the overall risk to sustainability. Because the amount of work/effort generated is tied to the characteristics of claimants, there are geographical variations in workloads – which means that we must be more sophisticated in balancing work within and across Service Centres. This has begun, and will mature over time, but important to note that we are seeing signs of stress in some centres, with increased absence levels and ongoing threats of industrial action. A range of activities are in train to alleviate pressures, including recruitment, load balancing and some trials to disrupt volumes of telephony.

### **External Challenges and Stakeholder Engagement**

There remains a gap between Programme performance and public perceptions of Universal Credit effectiveness. This remains a key risk for the Programme and we have taken positive steps to address this.

We have held the first two sessions in a series of stakeholder workshops, based on themes identified by stakeholders in the four workshop streams earlier in the year. The first took place on 30th August, attended by 22 stakeholders including Lloyd's Bank, Curo Housing and the Money and Pensions Service.

In this workshop we considered **indebtedness and the causes of debt** and looked at the characteristics of those experiencing debt and how stakeholders and DWP can work together to minimise the effect and causes of indebtedness. The themes identified in this workshop will also help shape work we are taking forwards jointly with the Money and Pensions Service to tackle financial well-being related issues with UC claimants.

We held a workshop on the 20th September, focusing on **consent**, with service design colleagues getting feedback on the tool they have been developing to improve the consent journey. This was attended by a number of stakeholders including Macmillan, Citizens Advice and representatives from the social rented sector. The next workshop in the series, focusing on the information available to third parties, will be on the 25th October. We plan to bring a paper on our approach to stakeholder engagement to PDE in November.

The October Help to Claim governance board reviewed delivery of the **Help to Claim** pilot service and approved payment of the next quarterly grant instalment. We are currently reviewing the information provided as part of the mid-point review, which will influence the service delivery choices for 20/21. We plan to take a paper to PDE on the future of the Help to Claim service on Wed 13th Nov, ahead of Programme Board in December.

### **Live Service Closure**

We have successfully closed the UCLS portal, decommissioned the servers and removed agent access.

We have now finalised the transfer of records held in WSP into DRS. The delays to the implementation of Find and Refer meant this activity started much later than originally planned. However, all UCLS claims have now been migrated and WSP closed.

## **Enablers**

We agreed at PDE the Phase 8 UC Design content on 18 September 2019. Phase 8 runs from September 2019 to April 2020 and is 20% shorter than Phase 7.

We have estimated to deliver £20.6m efficiencies. In addition to the fixed date features such as the reduction in debt recovery rate from 40% - 30% and the HMRC ID Verification automation.

The key operational features due to be delivered in this phase are:

- Automation of Award Deductions,
- Improvement to 'Trust Autocalc',
- Alternative Payment Arrangements (APAs) for private rental sector housing,
- Functionality to support digital UC50 (Health Questionnaire) and upload of supporting evidence,
- Automated claim closure,
- Automation of child verification (supporting secure advances)
- Labour Market support (Digital Plus).

This builds on key operational features delivered in Phase 7: streamlining of Decision Making recording/notifications (delivered a 25%+ cost saving), award statement enhancements, HRT improvements, childcare easements and provision for SDP transitional payments.

UC evidence work has now removed the majority of historic service improvement assumptions. We will stay ahead of this by implementing a cycle of delivery assurance and work study to replace phase 8 assumptions with evidence at the earliest opportunity.

## **RTI Disputes**

We are changing the way in which we handle disputes, moving from a central function to a devolved Service Centre model. Early indications are that fewer disputes are being raised, as we have combined the roll out with Case Manager access to earnings information via Searchlight, allowing them to triage and deflect potential disputes.

In addition to this, we continue to work with HMRC and employers to reduce Late, Missing and Incorrect RTI, to minimise the impact this has on payments. Much of this is about educating those employers who don't fully understand the impact that a late submission has on their employee. The trend remains positive.

## **Advances**

We introduced a change on Wednesday 18<sup>th</sup> September, requiring claimants to be seen face to face before they could apply for an advance. This is one of the pieces of work we are planning to disrupt the misuse of advances – it is not the final piece. We had 3 goals in doing this.

- Reduction in fraud
- Not disadvantaging claimants
- Not disrupting operations

We have seen through the first few weeks of data; we do seem to have deterred and disrupted some of the previous seen patterns of fraud. Claimants are still receiving advances in a timely way, with no significant delays yet observable.

## **Labour Market**

We continue to see record levels of employment. Our Senior Operational Labour Market Group is focusing on 8 priorities (see annex). Specific activities include:

- Considerable activity to ensure appropriate, fair, consistent application of conditionality regime. Assurance Framework in place, stressing the importance of taking everything we know into account about the customer (complex needs, vulnerability, health etc.) when deciding to make a referral and before making a decision.
- UC sanction rate is now 2.4% of those subject to conditionality, varying from 3.6-1.3%.
- Written warning trial in Streatham complete, report due Nov 19, keen to implement nationally.
- Removal of 3-year sanction due end November.
- Health PoC, with zero mandation and work coach discretion, started 2 Sept for 6 months in 29 sites.
- Labour Market decisions moved to Jobcentre hubs resulting in much improved performance, both speed and quality
- Considerable focus on ensuring that our SR15 commitments are delivered, prior to introducing a more **flexible labour market offer**

The **Digital Plus** trial continues in 26 sites and we plan to start formal evaluation in late October. Alongside this, we will expand the Digital Plus concept to 100 additional sites in this operational year, to test delivery at scale. The first 5 sites in London and Essex start to deliver from the end of October, with a further 20 sites in December and 25 in January. We will learn from these initial sites and the remaining 50 sites will roll out in March of next year. We will maintain the integrity of the 26 Digital Plus Trial sites and continue monitoring of AME outcomes in these sites to enable decisions to halt/reverse roll out if needed.

We are delivering **Virtual Work Coaching** for customers with young children in the Work Preparation and WFI regimes and currently have Work Coaches in 10 Service Centres and linked Jobcentres with plans to expand further this year.

Design of the **Group Work Search Review** proof of concept is adapting as we test it, to ensure a consistent delivery approach that meets policy and legal needs.

Initial start-up meetings have taken place to explore **segmentation** and form part of P8 discussions, due to come to a future Board. An Incubator Team is being established to take the work forward.

## **Contact Strategy**

We held a channel summit in December 2018 and recognised that key to developing a strategy was understanding the reason our customers contact us. We subsequently created a multi-disciplinary Contact Strategy team and built capability in data collation and analysis. The

production of data we can trust has enabled us to start to better understand our customers, complete trials and make recommendations for technology improvements.

We have concentrated on our telephony offer and remain committed to outsource appointment related calls until an online feature is made available. We are in the process of consolidating to five Service Centres answering our National Tier calls, where we will also incorporate other centralised activity.

To alleviate pressure on case managers we have tested calls 'overflowing' to the national tier as opposed to keeping them in the Service Centre specific to their case manager, turning off integrated telephony between 10-12 noon for one site, redesigned the call plan to make it easier to navigate and added professionally designed messages to the call plan.

We have worked with operational colleagues to introduce a **Ready Together** programme whereby all colleagues are clear on the expectation of them to be ready to take calls and support improved customer service. We monitored success and have seen an improvement in the quality of call handling and a reduction in demand.

We are in the discovery phase of which technology options will support a contact strategy with consideration being given to a **Natural Language Call Steering** solution, moving us away from a press one for this option, press two for something else. Looking to exploit **Automated Reason for Contact** technology to remove manual data collation, telephony identification and verification to reduce handling times, as well as adding **customer survey** to the end of each call to allow us to continually evolve the service.

We are working with external partners, HMRC, RBS bank and Centrica, to learn lessons on the deployment of the technology options we are considering, to deliver the most efficient service to our UC customers.

We are supporting complex customers by providing a telephone claim service for those unable to manage an online account and are working with representatives of deaf customers in trialling the use of Video Relay for a sign language conversation.

Next steps are to test some more disruptive options to the way we manage integrated telephony, closing the service for periods of the day to understand the impact on dashboard progress and Case Manager productivity.

### **Other Improvement Activities**

Over the summer, the Work and Health Executive Team agreed to support the culture and behavioural principles of Leading and Managing Great Service (previously the Quality Strategy) and to focus on four capability priorities, which include the '*confidence of our leaders to lead in a changing world*' and '*our ability to coach our people*'.

This work is being brought together under the umbrella of '**In it Together**'. We have:

- Reviewed and enhanced the Leadership products hosted on the UC Hub;
- Improved ease of access to promote use and links between products;
- Updated and enhanced the Service Delivery Framework with a new self-assessment tool;
- Introduced a new page for Jobcentres which will support leaders with diary management, case management and Front of House delivery;

- Introduced pages where Leading & Managing Great Service will be housed and promoted; and
- Developed a two-day event for SEO and G7s to help leaders to get to the heart of their service delivery

**Assurance** activity is underway, prioritising Service Centres over Jobcentres as this is where we have the greatest service delivery risks. Visits are prioritised on a risk basis, against the Service Delivery Framework, with tranche one of three complete by mid-October. Jobcentre testing has begun, with options for scaling during 2020.

Through **Health Confident 2** we have delivered a series of Roadshows to Operational staff focussing on improving capability in the service offer for those claimants with a health condition.

We have amended the service offer for **Terminal illness** to make it clearer to our claimants what we mean by terminal illness. This has significantly reduced outbound calls made to those claimants who would previously have incorrectly identified themselves.

We are undertaking a proof of concept for the **Work Capability Assessment**, empowering work coaches to lead on the WCA referral process. This is expected to show that referrals are made at the right time with an increased identification of mental health issues, allowing coaching through the process to provide better quality of information and supporting better decision making. This is currently being tested in East and Northeast Scotland and we hope to rollout nationally this year.

### **How we will continue to safeguard delivery in 20/21 and beyond.**

Whilst we are confident in our developing plans, we are alive to the fact that we now have fewer levers available as rollout is complete and legacy gateways have closed.

To mitigate this risk, Programme Delivery Executive have supported the continuation of collaborative work across the Universal Credit Programme and Operations, to engage with the wider Department.

We have set up a joint team under a newly appointed Director (Deb Boore) to bring together the UC Service Design and Transformation and UC Programme Delivery teams, supporting design, implementation and continuous improvement across a fully multi-disciplinary team.

As an example, we are working to understand how our people navigate from one claim to the next in their dashboards to better understand any time that is not accounted for or funded in the cost model. We have currently measured that time in two sites and are looking to test this further.

We will continue to progress and develop closer working between Programme, Finance, Analysis and Service Excellence to help us to steer alignment to actuals, further understanding workload effort, ensuring that our cost model is increasingly accurate and expanding our insight into both demand levels and customer behaviour.

### **Timing:**

Programme Board Meeting, 22<sup>nd</sup> October 2019



# Labour Market Transformation

- Universal Credit provides us with the opportunity to support a more diverse range of customers. We have looked at innovative ways to work with customers, especially those who are vulnerable and traditionally at a disadvantage in the labour market
- We identified 8 labour market priorities and we are testing a range of approaches and initiatives to enable us to respond flexibly to both the increasing demand on services whilst innovating new support for customers.
- Operational leads have been appointed to take forward each priority area with progress overseen by the Labour Market Operational Group (LMOG), tracking progress via a 'roadmap'
- The ongoing delivery of the Labour Market Campaign has been key in supporting the LMOG priorities, providing a centralised point to highlight support products, promote local good practice and celebrate success



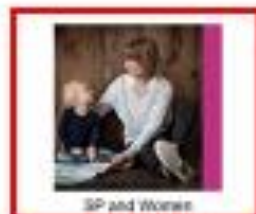
Digital Transformation



Delivering Core Regime



Health Confident



SP and Women



Young People



Ethnic Minorities



Self Employment



Older Workers