



Minutes

Title of meeting:	Universal Credit Programme Board
Date:	10 th December 2019, 15:00 to 17:00
Location:	London Caxton House, Room 6.24
Attendees:	Sir Robert Walmsley (Chair), Neil Couling (SRO for UC), Nick Joicey (Director General Finance), Debbie Alder (Director General People and Capability), Gareth Young (Cabinet Office Operations Lead), JP Marks (Director General Work and Health), David Silk (Director, HMT) Katie Farrington (Policy Director, UC and Employment), Simon McKinnon (Acting Director General Digital), Shelagh Brown (Director, HMRC), Pauline Crellin (Director, Engagement & Planning), Colum Boyle (Deputy Secretary for Work and Inclusion DFC Northern Ireland).
Presenters:	Paul Francis, Della Mcvay
Apologies:	Lindsey Whyte (Director HM Treasury), Fran Beasley (Chief Executive LB Hillingdon), Ian Wright (UC Programme Director), Angela Macdonald (Director General HMRC), s40 (Senior Advisor, LGA - Observer)

1. Welcome, Introductions and Actions

The Chair welcomed members to the meeting and acknowledged apologies from Lindsey Whyte, Fran Beasley, Ian Wright and Angela Macdonald

He welcomed Pauline Crellin attending on behalf of Ian Wright, David Silk who was attending on behalf of Lindsay Whyte and Shelagh Brown attending on behalf of Angela Macdonald.

He also welcomed Paul Francis and Della Mcvay, who were presenting papers at the meeting.

The minutes of the Programme Board of 12th November were approved with no changes.

Actions were updated as follows:

01-221019 – Pauline will update on the response to the PMIU report in Feb, which is the next planned Programme Board. However, the result of the election could affect UC so although there is no planned Board meeting for January the Chair reserves the right to seek Board members support to hold a meeting in January if required.

Post meeting note: Meeting in January not required. Next meeting 18th Feb 2020.

01-121119 – Closed as Help to Claim milestones are included in the paper at today's meeting, and will be included in the dashboard moving forward.

2. Programme Update

Pauline Crellin provided an update on behalf of the Programme Director:

The status of the Programme remains Amber.

We have had to pause several areas of activity due to Purdah. Some of our stakeholder engagement has been paused due to the prominence of UC in the various party manifestos. We will re-start stakeholder engagement once we are able to do so, our stakeholders are sympathetic given the current position.

There have been several interim proposals put forward around IR35 and it's potential impact on self-employed contractors. This is a risk across all Departments and is critical for the UC Programme as we are heavily dependent on contingent labour. We are looking to secure staff on Fixed Term Appointments where possible, but if that fails we may look to try and re-negotiate existing contracts.

We are undertaking a significant amount of work impacting election manifestos and commitments against the UC Plan.

The NAO study on getting to first payment continues, and the NAO are currently in the process of inviting comments from external stakeholders. The NAO have been complimentary on the resource we have invested in supporting the study.

Updated on Programme milestones including:

- Help to Claim – currently Amber, as there is a decision point next year and the timescales are tight.
- Identity Verification (IDV) – remains Amber due to the scale of the work that is required, not because of lack of confidence in delivery.
- GDPR – now Red as the deadline of Feb 2020 to move onto the Dataworks platform is likely to be moved back by around 2 months. We are not non-compliant; the Information Commissioner is aware of the situation and is content as long as we are seen as having plans to mitigate the situation. It is proposed that Paul Lodge attends a future Programme Board to give an update on GDPR.

There have been no changes to the key Programme risks or flight paths.

The usual update to financial information is not available for this dashboard as the meeting is too early in the month. Pauline has had a conversation with finance colleagues to check if there was anything to flag to the Board and was told there was nothing requiring the Board's attention.

Unit Costs per caseload have decreased in October but are expected to track above target until Quarter 3 in 2020. Contingency funding is in place until the end of the year and there is a discussion on Unit Costs at the Programme Delivery Executive (PDE) meeting next week.

Programme Board members:

- a) The DG for People and Capability felt that navigating the current IR35 situation is not easy and stated that it is important that we keep an audit trail if we offer exceptions to the Fixed Term Appointment (FTA) process. The Director General for Work and Health felt it would be helpful for the Board to see a velocity metric as we need to know that the velocity of the output is above the assumption.
- b) The Chair asked what the Acting DG for Digital felt may be the proportion of developers we may need to replace under IR35. The Acting DG for Digital felt that between a quarter and a third may be lost. The Chair asked if we could have some analytics around this including the prospects for recruitment. The Acting DG for Digital and the DG for People and Capability will take this forward.
- c) The Chair was concerned that the Identity Verification milestone is still Amber 3 months before completion. Paul Francis stated that plans went to PDE last week where 2 parallel scenarios were discussed, we have planned for worst case scenario and the current Amber status is a reflection of where matters stand. The SRO for UC felt confident we will be ready on time and it is Amber as we are not yet certain of the environment we will be deploying into. The Chair felt that we need to include text in the dashboard to explain why the IDV milestone is Amber.
- d) The DG for People and Capability asked if the Board felt we should have an IR35 risk on the Programme Dashboard. The Chair agreed that this would be useful to allow the Programme to review the risk regularly.
- e) The SRO for UC asked if Board members had an appetite for losing some of the historical items on the dashboard in favour of more information around scaling. The Chair was supportive and felt this was a very good idea.

Action 01-101219 – Update on GDPR at a future Programme Board meeting – Simon McKinnon

Action 02-101219 – Various dashboard amendments to be made including: text on IDV milestone, an IR35 risk item; and proposals to increase the emphasis on scaling while reducing historical information – Ian Wright

3. Operational Update

The Director General for Work and Health provided an update:

The Operational update is similar to last month however charts have been added to the paper outlining Average Working Days Lost and Time Spent on Telephony which were requested at the last Programme Board.

The underlying concern for Operations is that telephony contact continues to increase. Over time agents are having to do more work to keep UC going. We are trying to reduce the calls per customer ratio, but the amount of calls being taken is still not producing the level of channel shift required. The concern is around workload per agent as the live load grows.

More people are in work than ever before with employment rates at a record high of 76%, and the unemployment rate at 3.8%.

Unit Costs are continuing to reduce due to added headcount and have stabilised since July 2019. Payment timeliness is at an all-time high of 88.9% in the First Assessment Period. Teams remain positive about UC.

Operations have received good support from People and Capability colleagues on recruiting staff for both Jobcentres and Service Centres. Continuing to focus on the Labour Market and trying to increase activation rates to three months. We want to be able to measure this and score Jobcentres against the measure.

Programme Board members:

- a) The SRO for UC asked if it would be possible to explain in future updates what the vertical axis on the Work Generated per FTE and Caseload per FTE graph was showing as this was unclear. The DG for Work and Health will include an annexe with future updates with a clearer description.
- b) The Policy Director UC and Employment felt we need to undertake a “deep dive” to look at what is driving the increase in telephony. The DG for Work and Health agreed and felt we need to understand what it will take to reduce telephony contact. The Chair asked that the next Operational update for the February Board should include a breakdown of reasons for incoming telephone calls if that information is available. The Chair also felt that it may be a good idea to bring an update on Contact Strategy to the Programme Board in April 20.
- c) The Cabinet Office Operations Lead asked if it was fair to assume that as the caseload increases processing work is prioritised at the expense of other value add activities. The DG for Work and Health stated that our Once and Done case management approach is helping to meet our payment timeliness target. We have been pushing Jobcentres to push up labour market activity and we will monitor this carefully.
- d) The Chair was worried by the rise in Average Working Days Lost (AWDL) figures, along with the increased caseloads. The DG for People and Capability felt that our stats are actually pretty good compared to other areas. We have undertaken a “deep dive” on absence which does not correlate with call volumes increasing. We are looking to “test and learn” early interventions and conversations and looking at good practice in this area. Mental Health is an issue and we need to avoid getting into a vicious circle of high sickness absence and colleagues under pressure. The DG for Work and Health stated that we are currently undertaking a sustainable case management trial.

Action 03-101219 – Update on Contact Strategy to be brought to Programme Board in April – JP Marks

4. Transaction Risking

Paul Francis provided an update:

In UC we need from a Business Case perspective to save £1.5bn on Fraud & Error (F&E) in a 10-year period, and Transaction Risking will be a key enabler for this. s31

Transaction risking was initially prioritised in Phase 8 but subsequently deprioritised, and if it continues to be deprioritised it will cause issues moving forward. It is recommended that Transaction Risking is prioritised for Phase 9 so that capabilities can be matured to the level required to scale UC further. s31

s31

. It will require us to work with other areas of the business such as Fraud and Policy.

Although significant resource has been invested into developing automation in UC we have prioritised short-term improvements rather than Transaction Risking where the efficiency rewards are less immediate. The Programme Board are encouraged to ensure space is made in Phase 9 to allow Transaction Risking capabilities to be developed.

Programme Board members:

- a) The Chair reflected on the UC objective around F&E, the paper is around shifting our approach and we need to be aware that we need to improve our attention on F &E. Although the Board must not appear to dictate to Ministers, they need to be made aware of the potential consequences for the Business Case if we do not undertake Transaction Risking because of work on new policy implementation.
- b) The SRO for UC felt that we need to become more strategic moving forward and we may need the help of the Board to ensure we hold our nerve on other areas while we develop Transaction Risking.
- c) The Director HMT strongly supported the recommendations outlined in the paper as the headline statistics on F&E are increasing. However, he encouraged the Programme to enumerate a more strategic approach as otherwise Ministers would always focus more on newer and short-term initiatives. The SRO for UC said that we may need to consider holding DEL savings while we focus on the more strategic approaches which will increase AME savings quicker once completed. The Director HMT felt that HMT would be open to that discussion but would need to see the numbers involved. The DG for Finance felt this was massively important and we need to raise the priority of this work on the dashboard. We need to ensure that what we do in UC is integrated with what we are doing in the rest of the department. We need to learn the lessons from what we have or haven't achieved so far and it would be helpful to have that as part of the context.

- d) The Acting DG for Digital stated that the relationship between the Dynamic Trust Hub, Transaction Risking and the wider department was important and we needed to recognise where we need s31 [REDACTED]
[REDACTED]
[REDACTED]
- e) The Policy Director UC and Employment supported the points made on Transaction Risking, and felt that there may be an opportunity to move the F&E agenda forward on the back of some of the commitments in the election manifestos.
- f) The Cabinet Office Operations Lead asked what the impact on Phase 9 could be. Paul Francis felt that around 10-15% of Phase 9 is negotiable.
- g) The SRO for UC felt that the rate of return would be better if we could get Transaction Risking done, it would also benefit operational colleagues and reduce AME. However, we would not then expect to chase JP and his Operational Leadership Team on reducing Unit Costs or chasing small increases in payment timeliness.
- h) The Chair stated that support had been requested from a policy point of view and asked if the Policy Director UC and Employment could help. The Policy Director UC and Employment would be happy to get involved.
- i) The Deputy Secretary for Work and Inclusion DFC Northern Ireland, stated that NI would be happy to undertake a small trial in Northern Ireland if this may prove helpful. The Chair thanked the Deputy Secretary for Work and Inclusion DFC Northern Ireland for his constructive proposal.

Action – 04-101219 – Return to Programme Board in around 6 months with an update on Transaction Risking – Paul Francis

Decision Point – The Programme Board supports the commitment of development effort for Transaction Risking starting in Phase 9, so that capabilities can be matured to the level required to scale UC further.

5. Stakeholder Engagement Update

Della Mcvay provided an update:

Since we started working closely with stakeholders including Charities, Local Authorities, Housing Sector last year stakeholder engagement has been embedded in our ways of working. We are focused on working with them and they are helping us to find solutions to problem statements that have been identified during stakeholder workshops.

We have held 3 large “Town Hall” Events in Oct 18, March¹ 19 & June 19 which covered the areas of Service Design, Delivery Model and Vulnerable Claimants, these meetings have been complemented by a series of workshops and webinars. As a result, mature problem statements, the complex needs framework and the “who knows me” model have

¹ Corrected to reflect comment UCPB 18 February 2020

emerged. Most stakeholders have found the workshops and webinars useful and considered face to face sessions to be the most effective.

We have engaged social researchers to look at our approach to working with stakeholders and feedback suggests that stakeholders feel we have listened to what they have to say. We are planning further waves of evaluation to understand the groups that have not engaged with us and to understand why.

We are currently constrained by Purdah but have plans in place for next year. There will be another “Town Hall” Event in February or March where we will go over the evaluation strategy for Move to UC. Other events over the next few weeks include:

- Show and Tell Webinar on 18th December
- Move to UC Evaluation Workshop on 7th January

The Department has secured a £10m Transition Fund at the recent spending review. The funding is available for the development of a package of measures to improve services and support services for the most vulnerable. We are studying the evidence available before deciding on where best to use this money and may need the help of the Board in due course to support this.

We are continuing to work with stakeholders in partnership on a number of areas to improve the claimant experience and continue to test the concept of partnership working moving forward.

Programme Board members:

- a) The Chair felt the milestones contained in the paper were good and that we should be starting to consider the definition of the future requirements of Help to Claim as soon as possible.
- b) The SRO for UC was pleased with this work as the National Audit Office (NAO) have criticised us in this area in the past. This paper has started to set out how we will be working with stakeholders moving forward.

6. Hard Facts

- a) We have a new strategic focus on Fraud, Error & Debt
- b) We need a sharpened focus on claimants with complex needs.
- c) We need to ensure we do not overwhelm operations with telephony.

Date of next meeting Tuesday 18th February 15.00-17.00 Caxton House Room 6.24

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