UC Universal Credit

Minutes

Title of meeting:	Universal Credit Programme Board
Date:	22nd October 2019, 15:00 to 17:00
Location:	London Caxton House, Room 6.24
Attendees:	Sir Robert Walmsley (Chair), Neil Couling (SRO for UC), Ian Wright (UC Programme Director), Fran Beasley (Chief Executive LB HIllingdon), Colin Stewart (Area Director Operations), Katie Farrington (Strategy Director, Working Age), Simon McKinnon (Acting Director General Digital), David Silk (Director HM Treasury),Gareth Young (Cabinet Office Operations Lead), Shelagh Brown (Director HMRC), Colum Boyle (Deputy Secretary for Work and Inclusion DFC Northern Ireland), Jane Cunliffe (Director, Finance) s40 (Senior Advisor, LGA - Observer),
Presenters:	Paul Francis, Graeme Connor, Alex Royan, Pauline Crellin, Deb Boore
Apologies:	Lindsey Whyte (Director HM Treasury), Angela Macdonald (Director General HMRC), JP Marks (Director General Work and Health), Nick Joicey (Director General Finance), Debbie Alder (Director General Human Resources),

1. Welcome, Introductions and Actions

The Chair welcomed members to the meeting and acknowledged apologies from Lindsey Whyte, Angela Macdonald, Nick Joicey, Debbie Alder and JP Marks.

He welcomed David Ede who was attending on behalf of Debbie Alder, David Silk attending on behalf of Lindsay Whyte, Jane Cunliffe attending on behalf of Nick Joicey, Shelagh Brown on behalf of Angela Macdonald and Colin Stewart on behalf of JP Marks.

He also welcomed back both Paul Francis and Graeme Connor who had returned to present the papers from the previous meeting that was cut short by a fire alarm. Also Pauline Crellin, Alex Royan and Deb Boore who were also presenting papers at this meeting.

The minutes of the Programme Board of 24th September were approved with no changes.

The Chair then stated that the first two items on the agenda would be the conclusion of the Identity Update and the paper on UC Employment Impacts held over from the last meeting.

2. Identity Verification

Paul Francis concluded his update:

Outlined the 4 key risks and mitigation including:

- Preventing deviation from standards and ensuring the endorsed approach is implemented. Engaging with Lawyers, UC Secure Design and Security Assurance teams.
- Understanding the impact of additional development work to integrate with the HMRC IV system to create new capabilities. This work has been factored into the plans for P8 Product Development.
- The requirement for on-going support from HMRC colleagues. A dedicated resource and Memorandum of Understanding is in place as well as continuing to work collaboratively.
- Milestones – plans are in place and milestones will be monitored through the appropriate governance forums (Programme Delivery Executive, Business Design Authority, Technical Design Authority, Digital Design Authority)

There had been some concerns around HMRC staff using DWP data to verify the identity of people that are known to us and not to them. This concern has been addressed by HMRC staff asking DWP to confirm or deny identity based on DWP held data. This ensures our data never leaves the premises.

Updated on current 4 milestones including:

- The Test & Learn trial of the ability of users known to HMRC to use their HMRC credentials to sign up to UC is on-going and is on track for 31/12/19 deadline.
- Phase 1 delivery go live on track for 31 March 2020
- The Test and Learn for Phase 2 (users new to UC but known to DWP, and others unknown by either) is due to complete by 31 March 2020.
- Phase 2 delivery, a decision point on when to deploy Phase 2 is due in June 2020

We are continuing to work with HMRC and GDS on this using the existing governance frameworks. There is a 9-month transition period in place and both Lawyers and UC Secure Design are content with this.

GDS are looking at the possible charges that may be imposed for using the Verify service, this issue is still under discussion.

Programme Board members:

a) The Deputy Secretary for Work and Inclusion DFC NI asked if Northern Ireland were in scope. Paul Francis will clarify if NI are in scope.

b) The Chair asked if the potential cost issues around Verify may be resolved before the next Board meeting. The SRO for UC stated he doubted this would be resolved as discussions on this issue are likely to go across Whitehall.

c) The SRO for UC asked if the Board were happy with the 4 milestones outlined to track progress. The Chair stated that the milestones looked sensible with adequate time between the two Test & Learn completions and decisions on the Phase 1 and 2 deployments. The Acting DG for Digital agreed.

d) The Director Finance stated that the HMRC IV seemed like the best option moving forward however, given past difficulties, do we have evidence this will work. Paul Francis said that we are transitioning off of Verify over the next 9 months. We are working with HMRC to design and trial the HMRC IV solution. The Programme Director stated that we are in control of the process and we have a good working relationship with HMRC. The Acting DG for Digital stated that he was happy with the process to date but we may face new challenges when we move to transferring new customers not known to HMRC.

e) The Cabinet Office Operations Lead asked if the question of costs for Verify could not be resolved would we move to a Plan B, and if so would the milestones be different. The SRO for UC stated that we would have to see what would happen to the plan but discussions across Whitehall are likely to continue for some time around costs.

f) The Chair stated that in his opinion the existence of Plan Bs tend to devalue Plan As and will not help negotiations at this stage.

3. UC Employment Impacts

Graeme Connor provided an update:

The Universal Credit Business Case incorporated benefits of £8bn per year which were based in part on UC leading to an increase in employment by 200k. Therefore, evaluating whether UC is getting more people into work is fundamental to evaluating the Business Case benefits.

Due to the close down of Live service we have only one more cohort comparing legacy claims with new UC claims using the propensity score matching approach, which identifies similar legacy and UC claimants, and then tracking their relative progress.

We are working closely with HMRC colleagues to get the final sign off for moving RTI data from HMRC to UC and it is hoped this can be done in January 2020. Therefore, it is hoped that information for the JSA cohort will be available sometime in February 2020.

There are now 2.6m claimants on UC, we are therefore seeing surveys that include more UC claimants, and we are in the early stage of developing plans to capture this information.

The evaluation of the impact of UC has been made more difficult by the assumed 2-year lag in the Business Case benefits making it difficult to identify employment impacts in the next year. This would have been the case regardless of our analytical approach. Nevertheless, a rigorous comparison of the 2017/18 outcomes will be attempted using propensity score matching or other recognised techniques.

The most practical timetable moving forward is likely to be:

- Impact of baseline UCFS impacts for JSA alike cases by February 2020
- Testing the different specifications e,g removing legacy-alike filters by late January

- Finalising the results for presentation by mid-February.

We will monitor this timetable through regular checkpoints with both HMRC and DWP colleagues.

Programme Board members:

a) The Director HM Treasury felt it was positive that we would have a like for like data match in Feb 20. However, he asked if there was any analysis to show how many people were now working more hours. Graeme Connor stated there are currently on-going trials looking at in work progression and any results from this would be fed back.

b) The Director HM Treasury said that the Full Business Case (FBC) suggests that we can increase employment by 200k, and asked what number we would be looking to see in the Feb data to show we are on track. The SRO for UC said that if UC outperformed legacy by 4.5% we would be on target to achieve predicted Business Case (BC) employment effects.

c) The Director HM Treasury asked if there would be a choice as to which cohorts we looked at (e.g ESA, JSA etc). Graeme Connor said there will be choices but it would depend on the reliability of the data, as it is more difficult to make assumptions around some groups than others. Graeme would be happy to return to Programme Board following the evaluation of the JSA cohort to discuss the next steps.

d) The Chair asked if the results would be available in time for the planned 18 February 2020 Programme Board. Graeme said he was hopeful but this would be dependent on the transfer of HMRC data.

4. Programme Update

The UC Programme Director provided an update:

The current status of the Programme remains Amber.

We are continuing to de-commission services with Work Service Platform (WSP) currently in progress.

Severe Disability Premium (SDP) activity is continuing with around 14,000 payments having been made. We are currently on track to complete the exercise by March 2020.

Digital Plus expansion is planned for an additional 100 sites, with 5 sites due to start at the end of October.

Funding drawdown has been agreed with Treasury colleagues until the end of March 2020.

There are some concerns around how contractors are being assessed under IR35 however, this is a Department (and government) wide issue which has been escalated to the DWPs Executive Team (ET).

Updated on Dashboard milestones including:

Deductions from 40% to 30% has been achieved (due 31 October).

Digital Plus Trials – evaluation is being undertaken on a group of 26 Jobcentres to ensure the approach is effective. The milestone is currently Amber as we are awaiting sign off of the evaluation from the Chief Analyst.

There have been no meaningful changes to the risks this month.

The budget forecast is up by £19.5m with the majority of this increase down to operational costs. However, we are expecting the budget to increase accordingly with the extra funding that has been promised but not yet received for possible EU Exit impacts. This should ensure that we will be close to breaking even on our budget.

The Programme Director drew the Board's attention to page 3 of the dashboard and the graph outlining the hypothetical maximum payment timeliness that can be achieved, which is something the Board have asked to see previously. The graph will be updated to show that a range of between 88-90% may be possible.

Programme Board members:

a) The Finance Director felt that we should be speaking to Treasury colleagues regarding the money for EU Exit planning as we have not yet received it.

b) The SRO for UC felt that trying to achieve a payment timeliness of between 88-90% was too high and could have a detrimental effect on helping people into work. There was he said a balance to be struck here.

c) The Chair asked if the Programme had an idea of the types of individuals that fell out of payment timeliness criteria and were these likely to be vulnerable claimants. The SRO for UC felt that it was as likely to be claimants that had complex cases rather than necessarily complex needs.

5. Operational Update

The Operational Area Director provided an update:

Payment timeliness in operations currently stands at 86.9% which is up 4.9% on this time last year, even though the caseload has increased significantly.

The rise in caseload has increased operational pressure with both cases per case manager and average working days lost indicators increasing. Operations are trying to keep the caseload per case manager at around 650 but there are currently significant variances on this figure. Currently recruiting into hotspot areas.

Continuing to test opportunities to innovate the telephony contact strategy, but the volumes of contact using the telephony channel remain challenging.

The Labour Market is currently performing well with employment rates at a joint record high, and both female and ethnic minority employment rates continuing to increase. Youth unemployment has decreased to a near record low.

Programme Board members:

a) The Chair stated that we have spoken a lot at the Board around the importance of automation to bridge the gap between resources and work that needs to be done. He asked how we knew how much time was actually being saved in operations by increased automation. The SRO for UC stated that we use a Digital Cost Model which is revisited each time a new area of work is automated; this shows the impacts of the new features which can be tracked to show impact on operational costs. However, as the volumes are variable, this was by not always apparent to Operations.

6. Vulnerable UC Claimants – PMIU Report

Pauline Crellin and Alex Royan provided an update:

The Cabinet Office commissioned the Prime Minister Implementation Unit (PMIU) to undertake a report on how effective support is for vulnerable UC claimants, also to help them understand the vulnerable claimants UC journey. The Programme are grateful of the effort and insight that has gone into the production of the paper.

The paper contains a wealth of information but some of the key findings were outlined including:

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Several recommendations have come from the report including:

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The Programme and operational colleagues are working to turn these recommendations into design principles to ensure consistency is applied and the sharing of best practice is put in place. We need to think about the problems that have been highlighted so that accurate problem statements are formulated followed by how best to solve them.

It is proposed that many of the recommendations will be taken forward by the vulnerable claimants steering group that is Chaired by Karen Gosden (an Operational Area Director).

The team proposed to return to Programme Board in February with an update on how things are progressing. The Chair welcomed and accepted this offer, the Secretariat will schedule an update for February's meeting.

Programme Board members:

a) The SRO for UC welcomed the report which is a great example of working in partnership. He feels the recommendations drive a route map for UC and will help to take our service to the next level.

b) The Chair then asked all Board members for their views on the paper:

The Director HMRC stated that she felt it was important work and that s36 s36 We need to look at the problem statements to see what can be done. Pauline Crellin said she would be happy to discuss the outcomes with Sheila Brown (HMRC) to ensure we work better across government on this issue.

The Acting DG for Digital said he felt the report was helpful and wondered whether the data could be helpful in a broader analytical capacity.

The Chief Executive LB Hillingdon was glad to see the report on the Programme Board agenda. We have a shared interest in making this work as s36 s36 s36 would welcome working with DWP on this issue to help push back on some misconceptions.

The UC Programme Director felt that we must continue to have a claimant focused culture within DWP. We need staff to understand claimants needs, and we need to get better at giving WCs responsibility and the flexibility to work 1 to 1 with claimants.

The Area Director Operations felt the report was a great contribution; we need to let jobcentres grow their own delivery models then bring them together to see whether and how we can introduce an over-arching process.

The Cabinet Office Operations Lead felt we needed to concentrate on some of the areas that can easily pass us by, for example helping vulnerable claimants that do not have digital skills make a claim for UC.

The Director HM Treasury felt it was a good report and was pleased that HMT colleagues had been involved with the fieldwork. He felt this was an opportunity to us s36 ████████████████████████████████████

The Finance Director was supportive of the report s36 ██

The Deputy Secretary for Work and Inclusion NI felt that the thought that s36 s36 ██

The Strategy Director thinks there may be policy questions for us to answer, although the s36 ████████████████████████████████

The Director for HR was supportive of the report and noted that a significant amount of work was being done in this area. s36 ████████████████████████████████

The Chair thanked the presenters for what the Programme Board evidently considered an excellent PMIU report. It was now important that the recommendations were operationalised, taking account of both the guidance in the report and colleagues comments. Pauline Crellin agreed to provide an update in February 2020.

Action Point 01-221019 – Update on response to PMIU report to Programme Board in February 2020 – Pauline Crellin

7. Mid-Year Consolidation Report
Deb Boore provided an update:

The update was a follow up to the report brought at the start of the year, the report concentrates on:
- Caseloads and Workloads
- Contacts and Telephony

- Labour Market

We are looking at growth of work and work generated rather than cases as a unit. We have started to think more about average workloads rather than caseloads. We need to look at what level of work is generated to ensure Case Managers have similar workloads.

Emerging work on understanding work generated by current caseloads will give us a better view of productivity and pressures, we also need to become more sophisticated on how we distribute work. However, as previously discussed it is felt that claimants who have complex needs need a more local connection to help them through the journey.

On telephony we are answering around 1m calls per month, although the volumes of telephony have been managed down, there is work on-going to improve still further. We are looking to understand more and more about why claimants phone us and how we can encourage them to use other contact methods. New technology is in place and some sites are trialing a system of allowing no telephone calls between 10am and 4pm, this has made case management more manageable for staff and improved customer service.

Regarding the Labour Market we are continuing with the Digital Plus trial in 26 offices which is being managed very closely. We will be rolling this system out to a further 100 sites before the end of the financial year. We are working closely with digital colleagues to see what other potential automated enhancements are possible.

8. Hard Facts

a) We need to get maximum value from the Move to UC Pilot.

b) We need a sharpened focus on claimants with complex needs.

c) We need to ensure we do not overwhelm operations with telephony.

The Chair stated that the current rate of progress of the Move to UC pilot will not allow us to make a decision by January 2020. Following discussion with internal stakeholders he proposed to hold Board meetings bi-monthly at the start of 2020, having meetings in February, April and June, when the frequency would be reviewed. However, he proposed that a Programme Dashboard should still be circulated monthly for information and to keep members up to date with the how the Programme was performing, and to allow comments. He asked if this was something that the external members of the Board would support.

All members of the Board were supportive of this proposal and the Chair stated he would send out a note to members confirming the change and outlining the proposed Programme Board dates for 2020.

Date of next meeting Tuesday 12th November 15.00-17.00 Caxton House Room 6.24

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