

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

### **Universal Credit Operations Update**

This update provides a summary of performance, looks forward to 2020/21 and explains our intent to manage workload and contact level risks – specifically to ensure average caseloads of c650 per Case Manager by March 2020, and stay below 750 through 2020/21 until we test and assure P8 automation, managing the impacts of increasing workloads on the wellbeing of teams and sustaining improvement in accurate full payment timeliness.

In phase 8 the product team intend to automate the top cost burning manual recurring payment processes, to do this they must be able to maintain their team's capacity to be able to deliver feature enhancements. We will also monitor and report on the wellbeing of our teams including absence levels, and analysis on increasing workloads given available capacity, including the impact of increasing volumes of journal and routed telephony contact which are increasingly crowding-out available time for processing.

#### **Summary of current service position**

**Payment Timeliness** remains steady and stands at 87.1% in the first assessment period, up 3.7% on the same week last year, and is at 95.1% in subsequent assessment periods.

**Unit Cost** in September in-month went down by 5% to £347 as costs have kept stable with caseload volumes growth at 4%. We expect that the unit cost will continue to improve, albeit slowly, for the remainder of 2019/20. The target unit cost for Sep-19 is £324 with actuals 7% above target.

**Decision Making** Habitual Residency Test (HRT) and other Payment Blockers (PB) decisions are steady performance at 94.7% for HRT fast track although we have seen a reduction of c5% to 81.6% for full HRT which we are focussing on reversing. We continue to support our DRT colleagues in the clearance of outstanding mandatory reconsiderations and appeals which is currently at 33,354 and 5,092 respectively.

**Labour Market Operational Group** have begun a soft launch of new Labour Market Indicators which better reflect the policy intentions of UC to activate customers into work, prevent worklessness, to sustain work and increase earnings. Alongside deprivation and JCP activity data, this will enable us to build an improved productivity framework for JCP. Meantime, Ministers have approved the next stage of Digital Plus evaluation and roll-out to 100 sites.

**Achieving 95% payment accuracy** The payment accuracy measure for Service Accuracy 3 Month Rolling Average is at 93%. Our *In It Together: Leading and Managing Great Service* campaign has launched and includes a key objective of improving application and consistency of case management – we are striving to get accuracy over 95% but teams struggle with lower priority tasks in case management and consistency of once and done and delivery. We are focussing on improving this in the months ahead.

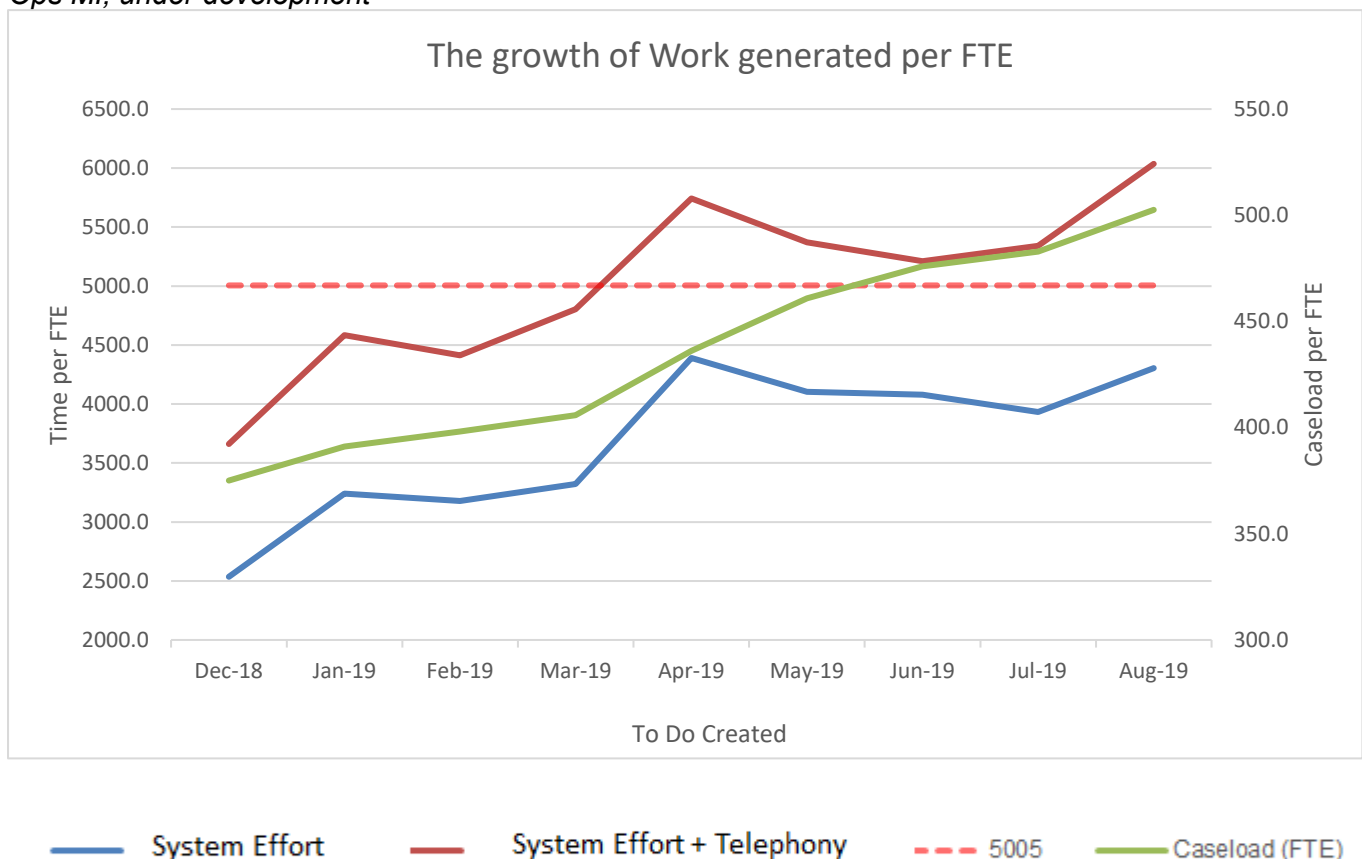
**2020/21 planning – Risk: Case Manager workloads increasing above available capacity.** The consequence of this is that whilst payment timeliness remains the key focus individuals will naturally prioritise activities that directly impact this and de-prioritise others such as under and overpayment actions. This both leads to a reduction in quality outcomes for our customers but also a pressure on leaders to break the once and done model and to functionalise specific tasks.

We are close to the threshold of work that Case Managers can do against productive hours in the day as indicated below in newly developed Ops MI. The trend this year in calls per Case Manager is a risk, increasingly agent time is being consumed by telephony, crowding out activity to pay people in full on time and complete all to-dos on the case once and done. In October the Average Calls per Case Manager was 69.38 a week and the average time spent on telephony is 22.5%. We are also concerned by increasing levels of Average Working Days Lost over time which are high in a number of Service Centres (including, Bristol 14.28, Dundas 13.24 and Basildon 12.21).

**We are therefore progressing hot spot recruitment to prevent growth in workloads so UC Service Centres achieve average caseloads no higher than 650 by March 2020, with approvals to recruit to hedge the risk of higher attrition and churn – this is all underway and tracked weekly.**

**We are also planning to manage caseloads below 750 in 2020/21 as we await automation of recurring manual processes which impact monthly payments; pushing to accelerate channel shift performance, given increasing level of telephony time which is crowding out payment processing.**

*Ops MI, under development*



#### Recommendations:

- Update demand cost model for latest actuals, including workflow and telephony in November
- Develop and report a set of stress indicators which we recommend should be added to the Programme dashboard e.g. Average Working Days Lost due to sickness, average caseloads and workloads against available capacity as per above, and stress proxy measures like *under and over payments outstanding* after the 1st AP (one of the biggest causes of error)
- Seek to accelerate plans to drive channel shift, and recommend a paper returns to the Board
- We recommend the Board assure Product velocity and automation of recurring manual processing impacting accurate timely payments in P8, specifically top cost burners e.g. third party deductions, reported earnings and managed payments to landlords, recognising these are critical before Move to UC at volume is viable.