

To: UC Programme Board Members **From: Lara Sampson**
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Phase 8 update

Issue: The Purpose of this paper is to provide UC Programme Board with an overview of plans for product development during Phase 8 and a review of product development in Phase 7.

UC Programme Board is asked to:

- **Note the prioritised backlog for Phase 8**
- **Note the update on delivery in Phase 7**

Timing: For the meeting on 12th November 2019

Introduction

1. Phase 7 ran from 20th December 2018 to 25th September 2019. At the start, the service was supporting 1.53 million contracts and 1.68 million claimants, and by the end of the phase, had grown significantly to support 2.37 million contracts and 2.75 million claimants.
2. Phase 8 runs from 26th September 2019 to 26th April 2020. The service is expected to be supporting over 3.3 million claimants by the end of the phase, through new claims and continued natural migration. We will continue the Move to UC pilot that was started in Phase 7, to support our ability to learn how to scale the service beyond 2020 as claimants are asked to migrate from legacy benefits.

Phase 8 plans

3. The main aims of Phase 8 are the delivery of fixed date items, supporting the continued scaling of the service, delivering operational efficiencies, improving performance and technical scalability, fixing growing problems, controlling growing risks and controlling costs, as well as supporting the Move to UC pilot. In addition, there are a number of improvements planned that will help vulnerable claimants and stakeholders and partners impacted by the service, such as landlords, as well as work to improve service outcomes.
4. The following items are planned for delivery by UC product development team in Phase 8. They are grouped together below by theme:

5. **Fixed date items** – there are a number of policy and other fixed commitments which must be delivered during the phase.
- a. Reducing the maximum rate at which deductions can be taken from claimants' awards from 40% of the standard allowance to 30%. For a couple over 25 this would see them keep an additional £50 a month.
 - b. Allowing claimants an extra month to report their childcare costs, irrespective of the reason for the extra time, and receive that money back.
 - c. Reducing the maximum duration of a sanction from 3 years to 6 months. Currently, 3 high level failures can trigger a 3 year sanction.
 - d. Ensuring our service is compatible with the removal of .gsi from Government email addresses.
 - e. Deliver the new Intensive Personalised Employment Support (IPES) contracted labour market programme which covers England and Wales for people with disabilities and complex barriers to employment judged to be more than 12 months from the labour market without intensive support.
 - f. Integrate with the HMRC IV solution being delivered by the Identity and Trust team, to enable an approach that would allow Tax Credit claimants who are known to HMRC to a level to claim UC without going through identity verification again.
 - g. Deliver multi-factor authentication to mitigate the risk level of bringing claimants with the HMRC identity credential into UC, and to reduce the need for face-to-face appointments for claimants to acquire and reset their personal security number.
 - h. Migrate some of our Amazon Web Services (AWS) infrastructure which will be coming to end of life and out of support to a new infrastructure.
 - i. Annual benefit uprating, which will take place in April as standard, although the exact changes have not been announced.
 - j. Annual rent changes, which will take place in April and we expect to utilise some landlord portal features delivered during Phase 7 to improve this process.
6. **Delivering operational efficiencies** – as well as looking for opportunities to deliver efficiencies in every piece of work we do, there are some specific outcomes we are aiming to deliver, and problems to fix, in phase 8. We expect the overall phase 8 backlog will deliver £21m efficiencies in 20/21
- a. Automating some deduction calculations.
 - b. Automating payments of private sector landlord APAs.
 - c. Introducing real time automated verification of children.
 - d. Improving the efficiency of appointments in the first assessment period by driving down failure to attend, and increasing the accuracy and completeness of evidence provided by claimants in the first appointment.
 - e. Improvements to the HRT process, including further fast tracking, and decision-making efficiency.
 - f. Enabling agents to reschedule appointments.
 - g. Removing the need for separate pdfs in all Agent Led Processes leading to reduction in effort and accessibility improvements.

- h. Introducing some automation into closing claims.
 - i. Assessing the risk level of automating more end of Assessment Period calculations.
 - j. Search for claimant by job interest - this is dependent on choices made following a mid-phase review of progress - see Options (section 13)
7. **Technical scalability** – as with every phase, there is crucial work that needs to be done to ensure the service remains performant as more users come onto the platform, and we invest in the underlying technology.
- a. Performance improvements in the areas of the service most affected by the large increases in volumes of claimants and data.
 - b. Breaking up some of our calculator elements to ensure the service doesn't slow down and become unusable at key points of the day.
 - c. Ensure our resilience by moving to a new technology for our internal message brokers that enables it to be highly available.
 - d. Reduce production issues by enabling improved test coverage and automation.
 - e. Severe disability premium (SDP) -The majority of work to pay eligible claimants completed in phase 7, further work is required to ensure the system is scalable and robust to operate for its expected lifetime.
 - f. Find and Refer - work is required to ensure the service which recently launched, replacing WSP, is sustainable and can deliver IPES.
8. **Managing key areas of risk** - Our main focus is on reducing the risks surrounding agent access, as well as monitoring the impact of our advances work, to determine if new formulas and approaches are being used – and decide what the priority of that remaining problem area is.
- a. Advances are being defrauded and exploited – there are 2 specific pieces of work which PDE have agreed to prioritise. The first is introducing the requirement for a F2F appointment to have taken place before an advance can be issued. That change was made on 18th September, and evidence has shown some disruptive effect. The second is introducing real-time verification for children using HM Passport Office's Life Events Service – although this is only available for children born since 2009. We will use that information to make risk-based decisions around awarding advances.
 - b. Claimants find it hard to understand what the system holds about their circumstances and make a correct declaration – particularly with reference to their capital and savings information, and managing their account settings – we aim to improve those processes to reduce risk.
 - c. Role-Based Access Control (RBAC) – we are aiming to reduce this risk from Very High to High as soon as possible within this phase, and allow the upload of health documents, which we currently estimate will be early 2020, once we have delivered a solution for Work Coaches, Case Managers, Decision Makers, Service Innovation Leads and Fraud Investigators. RBAC for Decision Makers has already been rolled out.
 - d. Cleansing some data – where we have allowed PII (personally identifiable information) to enter internal logs, we need to review what we

are logging, and ensure PII is not collected except where necessary, and if so is secured appropriately.

9. **Fixing problems which are unmanageable at scale** - As the caseload grows to over 3 million claimants, some problems that are manually worked around and corrected must now be fixed. These problems include where:
- a. Claimants are not always able to automatically access the advances they are entitled to, and they are sometimes recovered incorrectly.
 - b. The service does not automatically allocate claimants to the right labour market regime.
 - c. The service does not support insolvency, meaning some eligible claimants are not able to automatically claim advances.
 - d. Universal Credit is not sufficiently resilient to late, missing and incorrect CIS data.
 - e. Spare Room Subsidy – We will improve accuracy of the automated calculations for the Removal of the Spare Room Subsidy.
 - f. When a partner joins an existing UC claim the incorrect 'stop' date is sent to HMRC.
 - g. When an incorrect date of birth is held in UCFS HMRC have to action stop notices manually, which they are not resourced for.
 - h. The carers element was not being automatically paid to some eligible claimants.
10. **Key service outcomes** – Work has been prioritised to improve outcomes in some key areas of the service:
- a. Supporting health transformation – moving some of the health journey into the service, starting with the UC50 form.
 - b. Improvements to the service in support of the Digital Plus Trial.
 - c. Improvements to the Self Employment journey.
 - d. Strategic Labour Market Discovery – Research to understand how the service can further improve labour market outcomes.
 - e. Move to Universal Credit – Continuing to support the Move to UC pilot, as more claimants and claimant types join, and as we expand our work with delivery partners, to support the learning required.
11. **Issues of stakeholder focus** - We have prioritised the following items that are of particular interest to stakeholders, either because they have been key focus for contact with the department, or because delivery would directly support their efforts in relation to the service.
- a. Landlords – improving processes for both private and social sector landlords and tenants.
 - b. Explicit consent – improving process for gaining and sharing explicit consent for a third party to support a claim
 - c. Corporate appointees - we aim to deliver tools to ensure corporate appointees can be supported without the significant manual effort currently required to improve on what was delivered in Phase 7.

- d. Easements to the claimant commitment - make it easier for work coaches to manage easements to the claimant commitment, and ensure that the reasons are understood in a systematic way.
 - e. Bereavement – improving the experience and user journey for those whose claim involves a death.
12. **Other improvements** – In addition to the above, we have allocated a portion of time for fixing problems and performance issues in the service as they arise, as well as small changes to accommodate delivery unit configuration as the service grows.
13. **Options for consideration** – The product development team will return to PDE in mid-January, when it may be possible to bring some of the following items into scope depending on progress through the backlog and/or further discussion.
- a. Same child on multiple claims fraud – manual work to check for this type of fraud is undertaken in phase 8, this would add automation.
 - b. Appointment booking improvements – add further appointment types to the appointment booking system
 - c. Passported benefits – improve the integration between UC and related passported benefits.
 - d. National Insurance (NI) credits – automate the application of NI credits for relevant users, which HMRC have asked for by June 2020.
 - e. Search for claimant by job interest – allow work coaches to search their claimants so relevant labour market opportunities are targeted efficiently.
 - f. Transaction risking – starting to develop the service’s transaction risking capability.
14. **Working across hubs** – We are investing product development resource to support the ability of UC teams in Manchester to contribute directly to the development of the service with fewer dependencies on UC London teams. Should this be successful, we will roll this approach out to teams in Leeds.

Risks to Phase 8 delivery

15. The scope of phase 8 has been determined based on estimates made by the teams involved in delivery. As with previous phases, it is possible that problems will require more effort than initially estimated, and further issues may arise in service within the phase that take a higher priority than the work planned.
16. The plan also assumes no major disruption due to actions required as a result of the UK leaving the EU.
17. The plan assumes staffing levels remain the same and levels of contingent labour resource are not affected by changes resulting from changing interpretations of off-payroll working rules (IR35). This may also include partners that are contributing to the service, such as the Identity and Trust team

in DWP delivering the HMRC IV identity verification system, and other systems on which the service currently depends.

18. The current plans for funding for GOV.UK Verify may result in it not being available for UC beyond March 2020. There are plans in place in Phase 8 to mitigate this by connecting to the identity platform being built by a DWP Digital team in Sheffield which consumes HMRC's identity verification service. This platform will, from March, be able to accommodate a proportion of UC claimants that currently use online identity verification. However, should it become clear that GOV.UK Verify will be unavailable to UC from March 2020, we will need to reprioritise additional work in this phase to minimise the impact.
19. We are also carrying the risk that we do not yet have a final decision on whether work to reduce the surplus earnings cap "de-minimis" amount is required. Should this be required, a re-plan will be needed at mid-phase to include the necessary work. Should the decision be delayed beyond the end of December, it may not be possible to impact, plan and implement by April 2020.

Key Dates

20. We will be returning to PDE in mid-January for a mid-phase review of progress and to take some prioritisation decisions for the latter part of the phase for approval.
21. A Show and Tell session to demonstrate some of the outcomes achieved in Phase 7 is planned for November 27th in Caxton House.

Phase 7 delivery

22. The following key changes and improvements to the service were delivered by Product Development during Phase 7. They have been organised below into themed areas.
23. **Policy/Fixed date/legal requirements** – A number of items were delivered to dates fixed either by legislation or policy need.
 - a. **Uprating** – In April 2019, Work allowances and the National Minimum Wage were updated, and service was altered to factor this in.
 - b. **Annual rent changes** – Each April, rents are changed in the Social Housing Sector, and the service was changed to prompt claimants and landlords to verify the new amounts in bulk.
 - c. **Easements in reporting of childcare costs** – Reported costs can now be considered by Case Managers for an additional 30 days before requiring referral for a formal decision.
 - d. **Payment to the main carer** - A change was made to encourage claimants to use the bank account of the main carer.
 - e. **Severe Disability Premium (SDP)** – 14,360 lump sum payments made, est. 6,000 remain. Regular payments made monthly by dedicated team.

- f. **Two child gateway** – In February 2019, the gateway preventing claimants with more than 2 children from claiming UC was removed.
 - g. **Bryce ruling** – The service was changed to provide clarity to claimants as to the purpose of each appointment.
 - h. **Mixed age couples** – The service was compliant with i) the rule coming into force in May 2019, that both individuals in a couple must claim UC if one is under pension credit qualifying age, and ii) the need to comply with LCW(RA) (Sched. 8 and 9) regulations for mixed-age couples.
24. **Reducing barriers and supporting vulnerable claimants** – The following items delivered with a particular focus on helping vulnerable claimants and those facing significant barriers.
- a. **Corporate appointees** – claimants supported by a corporate appointee are now formally identified on the service. The appointee sees a unique payment reference for each claimant in their bank statement to help manage their support (for those with many appointees). By the end of the phase ~1330 claimants had payment references.
 - b. **Lloyds Bank, Barclays and HSBC** now accept UC statement as identity evidence for opening an account, with other banks working towards producing a process.
 - c. **Terminal Illness** - Better information is provided to claimants to allow them to understand the service definition of Terminal Illness, to avoid wasted phone calls and claimant stress, leading to reduction of over unnecessary 2,700 calls per month (June '19)
 - d. **Accessibility** – The UC service was improved (and externally audited) to meet the AA conformance to WCAG 2.1 Web Accessibility guidelines.
25. **Preventing Claimant and system errors** – A number of items were delivered that reduce the amount of error created due to claimant misunderstanding or by improving communication between backend systems that support the service.
- a. **Effective dates** - a major piece of work was undertaken to ensure UC appropriately deals with multiple conflicting declarations of circumstance (such as housing) by claimants.
 - b. **Debt Management System (DMS)** – Reduced the number of unnecessary notifications sent to DMS when a couple's relationship status changes
 - c. **Overlapping Benefits** - Stopped duplication of tasks relating to overlapping benefits allowing a central team to reduce in size from 165 FTE to 80FTE (98% of cases) and ensured a to-do is *always* created (never missed) removing a dual provision issue (2% of cases).
 - d. **Change of circumstances** to people who live with you. Making it easier for users to change those circumstances, without having to re-enter all the information in relation to that part of their claim again.
 - e. **Calculating student income** – an agent led process was introduced to formalise the calculation of student income.
26. **Reducing fraud** – items delivered that reduce the risk of fraud to UC.

- a. **Fraudulent advances** – we introduced a face-to-face appointment before an online advance could be applied. This was introduced on 18th September, and evidence has shown some disruptive effect.
 - b. **Compliance agent led processes** – processes were improved to guide agents in the referral of fraudulent activity for investigation.
27. **Security and scalability and technical** – a number of items were delivered to secure the service and how it is developed, and keep on top of scaling
- a. **Role based access control (RBAC)** for SERCO agents – The rollout of RBAC started with an initial rollout to agents involved in booking appointments.
 - b. **Notify CIS** – UC is now compliant with internal auditing mechanisms to notify CIS when records are accessed and changed.
 - c. **Infrastructure improvements** - changes were made to the infrastructure, and further controls added to the development team's ways of working as a result of penetration test activity.
 - d. **Faster Payments** – changes to how the service sends Faster Payments were made to allow for service growth.
 - e. **Monitoring** – the service is now integrated with the department's agent desktop monitoring service.
 - f. **Performance of key pages** – The performance of some key areas of the service impacted by data and activity growth was improved.
28. **Improving tools and processes for agents, reducing cost and effort** – although most of the work delivered included operation improvement, several items were delivered with a specific focus on improving operational efficiency:
- a. **Improve manual payment processes** – the manual payment process undertaken by agents was streamlined to reduce effort and error.
 - b. **HRT fast tracking** – the Prove You Can Apply tool was improved to streamline the HRT decisions and allow more types of cases to be processed in the Job Centre.
 - c. **Moving decisions from DMs to Work Coaches** – agent led processes were changed to allow more decisions to be taken locally without the need for referral to a Decision Maker.
 - d. **New claims by phone** – improvements were made to the agent process including a more structured capture of the reasons accepted by the agent to allow the claim to be made by phone.
 - e. **Appointment booking integration and diary improvements** – migration of appointment booking from Bookingbug to Qflow, and numerous improvements to diary management for agents through the integration of the diary into the service.
 - f. **Bulk messaging for agents to claimant journals** – Agents now able to send the same messages (e.g. about labour market opportunities) to multiple claimants at the same time, reducing repeated effort.
29. **Closing legacy systems** – The service migrated from several dependent systems allowing them to be closed, or the related contracts ended.

- a. **Find and Refer** - the introduction of a new tool for referring claimants to provision allowed the closure of the legacy work services platform. (WSP)
 - b. **TYF** – the UC data feed to local authorities was migrated to the departments strategic new platform Transfer Your File, allowing the closure of the legacy LADS data feed and ATOS contract.
 - c. **Appointments** - The integration of appointment booking into the service for agents and migration to QFlow allowed for the removal of the service's integration with Bookingbug.
 - d. **SNBS** – Changes were made to allow the migration of dependant systems from SNBS to SDX, reducing the departmental spend with BT.
 - e. **Real Time Earnings (RTE)** – testing work undertaken to support the migration of the RTE from legacy hosting to Amazon Web Services.
30. **Move to UC** -The first claimants have moved to UC as part of a pilot, currently running in Harrogate to learn how best to do this at scale. Transitional Protection (TP) is calculated and paid to these claimants. The rule for erosion and ending of TP are now being applied to claims.
31. **Increasing claimant self service/understanding** – several improvements aimed at improving claimants' understanding of the service to reduce unnecessary repeated contact, improve accuracy and timeliness.
- a. **A blank statement** - made available to claimants as soon as they make their claim, providing more visibility of the statement and clarity over payment dates
 - b. **Additional detail/breakdown of the award on the statement** including
 - i. Breakdown of deductions.
 - ii. Breakdown of advances including what is owed/remaining to be paid and information about further (e.g. budgeting advances) available after the first AP.
 - iii. Detail of how the housing element has been calculated, and what the claimant should do with the money including
 1. Non-dependant housing cost contributions,
 2. Removal of Spare Room Subsidy,
 3. Local housing allowance
 4. Rent free weeks,
 5. Shared accommodation rate.
 - c. **Appointment reminders** by SMS – Claimants now receive reminders by SMS of upcoming appointments.
32. **Landlords/Housing** – items that help landlords manage their interactions with UC.
- a. **Rent arrears** - Automatically end collection when a tenancy ends/landlord changes (replaces manual process which was subject to delay/error)
 - b. **Rent changes** – Landlords are now able to upload rent changes for all their tenants in bulk, reducing effort for landlords, tenants and agents in the verification of rent.

- c. **Portal Improvements** - updates to the Landlord portal to help landlords with large amounts of information.
 - i. Allow landlords to distinguish new claims from changes of circumstances in their to-do list
 - ii. Clean up and remove historical tenancies, to make it clearer to landlords which of the tenancies are still active.
33. **Problem fixes and performance improvements** – Throughout the phase, each release of the service contained numerous problem fixes and performance improvements.

Phase 7 Success Measures

34. The efficiencies realised during phase 7 total to £32M in 19/20, as measured by the digital cost model, during a time where over a million claimants were added, while the payment timeliness measure improved from 82.9% to 87.2% in the first assessment period, year-on-year, measured at the end of the phase (26th Sept 2019).
35. A Show and Tell session is planned for 27th November in Caxton House to show some of the outcomes of the above delivery. We plan a short paper to show the overall outcomes of Phase 7 following this.

Recommendation

36. UC Programme Board is asked to note the priorities for UC product development in Phase 8 and the delivery in Phase 7 outlined in this paper.