



# Minutes

<b>Title of meeting:</b>	Universal Credit Programme Board
<b>Date:</b>	16 <sup>th</sup> July 2019, 15:00 to 17:00
<b>Location:</b>	London Caxton House, Room 6.24
<b>Attendees:</b>	Sir Robert Walmsley (Chair), Neil Couling (SRO for UC), Debbie Alder (Director General Human Resources), Lindsey Whyte (Director HM Treasury), Ian Wright (UC Programme Director), Nick Joicey (Director General Finance), Karen Gosden (Area Director, Operations) Simon McKinnon (Acting Director General Digital), David Malcolm (Director, Work and Inclusion DFC Northern Ireland) , James Bolton (Strategy Director Strategy), Gareth Young (Cabinet Office Operations Lead), Shelagh Brown (Director HMRC) s40 (Senior Advisor, LGA – Observer), s40 (HMRC Observer)
<b>Presenters:</b>	Paul McKeown, Graeme Connor Pauline Crellin
<b>Apologies:</b>	Colum Boyle (Deputy Secretary for Work and Inclusion DFC Northern Ireland), Angela Macdonald (Director General HMRC), JP Marks (Director General Work and Health), Pete Searle (Strategy Director, Working Age),
<p><b>1. Welcome, Introductions and Actions</b></p> <p>The Chair welcomed members to the meeting and acknowledged apologies from JP Marks, Pete Searle, Angela Macdonald and Colum Boyle.</p> <p>He welcomed Karen Gosden who was attending on behalf of JP Marks, Shelagh Brown attending on behalf of Angela Macdonald, James Bolton attending on behalf of Pete Searle and David Malcolm attending on behalf of Colum Boyle.</p> <p>He also welcomed Pauline Crellin, Paul McKeown and Graeme Connor who were presenting papers and s40 who was shadowing Shelagh Brown and observing the meeting.</p> <p>The minutes of the Programme Board of 25<sup>th</sup> June were approved without amendment.</p> <p>Update on actions:</p> <p><b>02-210219</b> – item on Identity Verification due at Programme Board in September.</p> <p><b>01-250619</b> – below the line paper updating on Fraud &amp; Error at September Programme Board meeting</p>	

**SRO Update**

A new Prime Minister will be in place next week and we do not know the implications of this appointment for the current Ministerial Team. The Programme is currently planning for all eventualities and briefing is being prepared in the event of new Ministers being appointed.

The Move to UC Pilot will have started before the next Programme Board meeting in September and also the first Severe Disability Premium (SDP) cases will have been paid. We will report back on both at the September Board meeting.

We are expecting a busier Summer than usual due to the laying of the Move to UC regulations, the start of the pilot and the first SDP payments however, the aim is to be ready for any eventuality.

Currently briefing cross-government on UC.

**2. Programme Update**

The UC Programme Director provided an update:

The status of the Programme remains Amber.

Move to UC Regulations remain on track to be laid on 22<sup>nd</sup> July with the Move to UC Pilot due to start on 24<sup>th</sup> July. A below the line paper has been circulated as part of the Programme Board pack for this meeting outlining the assessment of readiness that was discussed and agreed at the Programme Delivery Executive (PDE) meeting last week. The issue of the increase in Move to UC volumes is part of a substantive paper later in the meeting. SDP payments will be starting in a test and learn way paying around 100 claimants in the first 3 weeks.

Live Service closedown is on track for completion at the end of the month.

Advances Fraud has been prominent in the media and we are considering how we continue to balance providing support and responding to an evolving fraud risk. There is a discussion planned on Advances at PDE on 24<sup>th</sup> July and the Permanent Secretary will be attending the meeting for that session. The SRO for UC stated that the long-term solution to Advances Fraud is Transaction Risking which would make Fraud harder to perform. However, this is likely to be introduced in phases as the Programme have concentrated on ensuring that vulnerable claimants' needs are met first.

The Programme Risks are the same as last month, with some updated mitigations.

The Programme Director then updated on some milestones including:

GDPR – on track but left as Amber as the final piece of work is in the process of being done, however the work is complex to implement.

Move to UC Pilot and starting SDP payments – remains Amber until the regulations have been laid that will allow us to start both on 24<sup>th</sup> July.

On the 15% financial efficiency challenge the Programme accepted at the start of the year, we are currently forecasting a £6.5m overspend (from £30m), which the Programme will be doing its best to reduce further over the coming months. There are very few financial risks currently apart from the marketing spend that is within the control of the Programme.

No formal Unit Costs per caseload figures are available for this meeting however, we expect to have formal numbers for the next Board. We have an estimate of costs per case which is currently £395 and this continues to reduce. Volumes are around 10% lower than forecast and Unit Costs will decrease less speedily due to this.

Programme Board members:

- a) The DG for Finance asked about the improvement in the Verify figures and wondered if there may be a specific reason for this. The SRO for UC stated that this was probably due to less people trying to get through, who would be unsuccessful, which is driving the figures upwards. Around 58% of people are trying to use Verify currently compared to around 80% last year.
- b) The Chair asked what would happen to the data currently stored in the Live Service systems once they were closed. The Acting DG for Digital stated that the data would be archived in data warehouses and managed until deleted in line with the current data protocols.
- c) The Chair asked if a line could be put into the payment timeliness graph to show an estimate of the theoretical maximum proportion of payments that could be reached on the payment timeliness graph. The Programme Director stated he would arrange for this to be done.
- d) The Chair asked if we should have a milestone in the plan for the Remote Based Access Controls (RBAC) risk. The Acting DG for Digital stated that the risk would be cleared by October.
- e) The Cabinet Office Operations Lead asked if a claimant is not paid by the end of the first AP do we have a mechanism for monitoring when they are paid. Graeme Connor stated that we already have plenty of information on this including times and reasons for non-payment.
- f) The DG for Finance asked how UC payment timeliness compared with other benefits. The SRO for UC stated that overall UC was better as on average payment timeliness in legacy benefits is around 78%.

### **3. Operations Update**

The Area Director Operations provided an update:

The figures released tomorrow will show payment timeliness at 88.2%, this will be the 10<sup>th</sup> week in a row they have increased. Operational colleagues are very focused on how this level of performance can be maintained over the summer. Operations need to ensure the distribution of work is right to get through the summer period.

There is Trade Union (TU) interest in 4 Service Centres currently (Walsall, Wolverhampton, Stockport and Canterbury). Senior Leaders have been involved to try to allay local concerns. There has been no industrial action in either Walsall or Wolverhampton since the end of May. Following recent “car park” meetings, there is the potential for industrial action in Walsall, Wolverhampton and Stockport at the end of August, a position which is being closely monitored. Senior Leaders are continuing their

regular engagement with TU colleagues.

Currently undertaking significantly more Interviews Under Caution (IUC) in Operations around Advances, and a range of test cases have been submitted to the Crown Prosecution Service (CPS). Looking at how these may be handled moving forward. Testing to inform future design changes has begun and agreed as a priority area for Phase 8 (September 19 to April 20).

On telephony the Integrated Telephony Service is taking around 75% of calls with 25% being answered by the National Telephony Team. A new calculation for calls per case manager has been agreed that takes into account part-time workers, however this will not be visible until the July data has been collated.

The Labour Market Orientation Group have made good progress on the key issue of simplifying the information about UC on the GOV.UK website.

The latest Labour Market statistics released this month show a record high with the employment rate at 76.1% and unemployment rate of 3.8%.

We have a good quality approach to payment accuracy and are looking to address a slight dip last month, we understand the issues around the dip and are working to address the root cause. There is a Senior Leaders meeting in Birmingham tomorrow to discuss this.

Women's Aid representatives have upskilled Advisors in jobcentres around the issue of Domestic Abuse. Operational colleagues have worked closely with Women's Aid to co-design the workshop which they delivered.

Programme Board members:

- a) The DG for HR felt that the issue of advances fraud volumes has been identified by colleagues on the front line; they feel strongly about public finances and are referring potential fraudulent cases on a daily basis.
- b) The SRO for UC felt that operational colleagues are going into the summer period in a strong position due to their own hard work.

#### **4. UC Plan Update**

Paul McKeown and Graeme Connor provided an update:

The Programme are not seeing the volumes of natural migrations that were anticipated in the forecasts. The Programme have been working with analysts and across departments in an attempt to understand why this has happened. We need to understand more about the behaviors of those that have already naturally migrated.

Previous forecasts were that around 1.8m households would need to be moved to UC however, further estimates suggest that the final number could be nearer 2.2-2.7m. This is due to a slower than expected rundown of the legacy caseload. It is not clear what has driven these changes but in reality it is likely to be a combination of factors which include:

- Using legacy behaviours as a basis for forecasting the very different UC benefit

system.

- Not as much churn in the system as expected
- Lower than expected take up of UC, driven by conditionality.
- Legacy claimants deferring or not reporting changes in circumstances that may trigger a claim to UC due to possible concerns about UC.
- Potential for legacy claimants to remain on legacy benefits after they have made a claim to UC by failing to attend their UC ID interviews.
- Overestimation of the level of churn in the legacy system at this point of the economic cycle.

Universal Credit Analysis Division (UCAD) have acknowledged they do not yet fully understand why the forecasts of 'Move to UC' volumes are so much higher than those originally stated. The new dataset has more detail and will continue to be refined as evidence emerges from the Move to UC Pilot. Forecasts will also be updated as we move through upcoming fiscal events.

Early phases of the Move to UC Pilot will focus on claimants known to DWP staff as part of the "who knows me" approach, these claimants being less likely to have outstanding undeclared changes of circumstances.

The Programme have worked across Departments to look at options for the current plan that included:

- Do nothing – this was quickly discounted as it was felt this was not deliverable to move <sup>1</sup>100,000 households per month. We need to de-risk the plan not add risk.
- Hold the current end date and provide resource to clear 100,000 per month - this was also discounted as would require an additional 7,900 FTE which would cost around £187m in DEL in the year to 2023. This would be inefficient workforce planning due to it being a transient requirement. Also could not assure acceptable levels of customer service at those volumes.
- Increase Natural Migration rates – this option was discounted as it would require primary legislative changes.
- The favoured option in order to de-risk the plan was to extend the Programme by 9 months to September 2024 in order to keep the current planning assumption of 100,000 households per month. This will de-risk the plan and give the Programme more confidence going into upcoming fiscal events.

The next steps were outlined and included:

- The Programme to agree a handling approach with a Financial Strategy to inform Ministers, Treasury and OBR.
- UCAD to continue to review their models as more data becomes available and to develop costing notes on the impact of an extension to UC rollout.
- A revised Programme risk to reflect uncertainties around assumptions underpinning Move to UC volume forecasts
- The Programme to commission work to explore whether legacy claimants are

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<sup>1</sup> Corrected to reflect UCPB comments 24 September 2019

deferring or not reporting changes in circumstances to avoid triggering a claim to UC

- HMRC to impact revised models where UC completes in September 2024.
- Discuss with DfE, because estimates of Free School Meals will be affected.

Programme Board members:

- a) The DG for HR asked what assumptions were being made around productivity, or are we using current productivity volumes. The SRO for UC stated that we have an initial assumption of 100,000 cases per month than can be achieved. We may however wish to return to the longer term assumption when we know how Move to UC is going.
- b) The Director HM Treasury felt the discussion was helpful and now understood the messages better. Also felt there was no evidence to suggest that claimants are staying on Tax Credits for longer.
- c) The Director HMRC felt we needed to look at the Tax Credits load again to see what can be learned.
- d) The Director for Work and Inclusion Northern Ireland (NI) stated that they had seen the JSA caseload collapse but had not seen an equivalent increase in UC. The SRO for UC stated that the effect in NI may have been different as they had not had Live Service.
- e) The Chair felt that some claimants may not be triggering a change of circumstances because they have a choice as to whether they do so or not. Pauline Crellin stated that stakeholders had observed some nervousness about moving onto UC, but once on UC they feel it is better.
- f) The Chair felt that we need a planning assumption and that 100,000 per month was what has been suggested. He asked if any Board members had an alternative view to this. All Board members were agreed on this number being used as a planning assumption. The Area Director for Operations felt this was the most that could be achieved as there will be many complex cases within that number.
- g) The DG for HR asked if there were any quantifiable DEL implications. Paul McKeown stated that DEL was broadly neutral however; we will work with HMRC colleagues to understand how this may impact them.
- h) The Director HM Treasury did not disagree with the judgements made around the recommendations. We need to remember the potential for significant AME implications and need to have discussions with OBR. This may be a challenging conversation, and the Director HM Treasury would like to understand the timings for these conversations. The SRO for UC stated that he was not sure of the timings yet but feels that numbers may lead OBR to accept this is a forecasting change. Ministers in DWP are aware of this issue. We will be led by Treasury colleagues on how this issue can be played into wider cross-government discussions.

**Decision Point** – Programme Board endorsed the principle of extending the Programme

by 9 months to September 2024 and the next steps. They emphasised the importance of continuing discussions with Other Government Departments (OGDs), before any public announcements can reasonably be made.

## **5. Working with Stakeholders**

Pauline Crellin provided an update:

Since October 2018 the Programme has made a sustained and concerted effort to engage both external stakeholders and partners in order to develop the relationship between us.

Three Stakeholder events have been held in October 18, March 19 & June 19; these events have been well attended with between 70-80 attendees at each event.

There has also been a series of workshops and webinars outside of the events that have focused on specific issues such as; communications, service design and service delivery. During these events stakeholders have gained a greater insight as to how the Programme works and where they may be able to add value.

Stakeholders now understand the tension between a meaningful test and learn approach for the Move to UC Pilot and providing Ministers and others with sufficiently robust information to agree that we should proceed beyond the pilot in Autumn 2020. This tension was openly recognised at the event in June where they expressed their support for helping us to resolve any issues. This means that we can expect to work effectively with stakeholders so as to articulate options for moving beyond the pilot and manage the expectations of parliament and others.

Feedback from the June stakeholder event in particular was really positive and will help to shape collaboration moving forward. We are currently working on a shared platform in order to be able to share information electronically with stakeholders. We are re-enforcing understanding on our ways of working and how it takes time to change things that are identified by stakeholders.

We are pro-actively working with local partners in Harrogate as part of the Move to UC pilot, we are listening to their views and monitoring any noise in Harrogate regarding the pilot. There will be a further meeting in mid-August to explain how the pilot is progressing.

Programme Board members:

- a) The Chair commended Pauline and her team for a sustained commitment to listening to a wide range of stakeholders and for monitoring any 'noise' in Harrogate by paying attention to local social media.
- b) The Chair asked what the plan for future engagement was. Pauline stated that future engagement was wider than the Move to UC pilot and that we need to keep up the momentum we have built up and will be doing this by undertaking a Programme of 1-2-1 interactions with stakeholders, finding out what they perceive the issues to be. Also how we can communicate better with individuals and the public at large.

**6. Hard Facts**

The Chair stated his Hard Facts this month would mirror those of last month which were:

- a) Getting the Move to UC Pilot underway in July is important for keeping the Programme to plan, and maintaining momentum
- b) Overall Move to UC requires progress on many fronts and will require a significant team effort across government.
- c) Channel Shift is essential for the delivery of efficiency in UC and to ensure enough resource is in place to support the most vulnerable.

**Date of next meeting Tuesday 24<sup>th</sup> September 15.00-17.00 Caxton House Room 6.24**

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