UC Universal Credit

Title of meeting:	Universal Credit Programme Board
Date:	28th June 2022,15:00 – 17:00
Location:	Caxton House Room 6:24 Microsoft Teams
Attendees:	John McGlynn (Chair), Neil Couling (UC SRO), Ian Wright (UC Programme Director), Simon McKinnon (Digital DG), Paul Francis (Digital Director), Dave Brookes (HMRC Director) OBO Myrtle Lloyd, Deb Walton (Director People Capability & Place), Chris Drane (HMT Director), David Magee (Cabinet Office, Operations Lead), Paddy Rooney (Deputy Secretary for Work and Health DFC NI), Beverley Warmington (Director of Disability Services and Decision Making) OBO Karen Gosden, Stuart Ison (External Affairs, Strategic Design and Planning Director), Graeme Connor (Deputy Director Policy) OBO Angus Gray), Louise Skelton (Finance Director) OBO Nick Joicey, Ed Winfield (SPAD to the SoS)
Observers:	███████████ (Head of the Director General, Change and Resilience Private Office) ██████ (Director General Private Office cover)
Presenters:	Stuart Ison (External Affairs, Strategic Design & Planning Director), Ian Wright (UC Programme Director), Will Garner (UC Product Director), ████████████ (TCR Delivery and Assurance Strand Lead), ████████████ (Senior Finance Business Partner)
Apologies:	Karen Gosden (Work & Health Services DG), Angus Gray (Policy Director), Nick Joicey (Finance DG), Myrte Lloyd (HMRC DG)

The Chair opened the meeting, welcomed members to the board and acknowledged apologies. Minutes from May's UCPB cleared with no amendments requested.

The following action points updated:
- 2604 AP02: Action completed, closed
- 1705 AP01: Action completed, closed.
- 1705 AP02: Work ongoing, Item coming to a future UCPB, closed
- 1705 AP03: Tax Credit feasibility work coming to UCPB in July, closed

Paper 1 – Programme Director and Move to UC Update – UC Programme Director

The presenter walked attendees through the paper, highlighting the following key points:
- The programme remains amber/red due to being in the discovery phase and the lack of contingency or firebreaks in the subsequent phases.
- 101 UC claims made from the 500 migration notices sent, with 42% of these Tax Credit and 42% ESA claimants.
- 140 calls received as a result of migration notices, with the main themes being signposting, further information requests and difficulty with digital claims. Nothing causing alarm.
- Emphasised the difficult operating environment. Highlighted Ministers do not seem to have fully bought into the Discovery approach and in particular the need to let the empowered teams solve the problems

based on customer feedback. The Programme Director is worried that this is slowing our progress in Discovery and is damaging morale within the programme teams. Examples of the issues include

- o The programme is receiving many requests for data which is pulling on resources.
- o The tested migration notice was modified extensively by ministers leading to an additional test being required to test the migration notice that was tested with customers and signed off by the programme.
- o Reminder letters have to be sent to Ministers as they want to approve/edit them.
- o Locations for tests have been requested by Ministers to be signed off by them but then have been changed subsequently.
- o Their approach to the Social Security Advisory Committee, against the advice of the Programme, has led to regulations being consulted and delayed meaning at best couples cannot be tested until November.
- o The Secretary of State had decided on another review of the Programme, this time by a Non – Executive Director, further pulling senior management time away from the core tasks of the Programme

The Programme Director recognised that Minsters are keen for the programme to deliver faster, however the approach being taken is actually slowing progress and increasing the risk of failure.
- Work is ongoing to look through the processes and develop plans for the remainder of discovery.
- Work continues to support one-off support payments and it was highlighted that this is taking resource away from other UC priorities.
- Noted that communicating broadcast messages via the journal is not recommended and risks big impacts to the programme and operations.
    - o The UC SRO highlighted:
        - ▪ The Programme is trying to keep teams free from this work, however Ministers wanting journal messages keeps pulling them in which slows progress.
        - ▪ Emphasised that journal messages are not feasible, and that Ministers have been informed of this.
        - ▪ Proposals have been put forward to signpost people towards gov.uk for more information. Noted this meets the Chancellor's requirements and would not impact the programme.
        - ▪ Discussions can then be had with Ministers on prioritising broadcast functions.

Programme Board Discussion

- The Chair highlighted that Ministers are key stakeholder who are committed to the programme and noted the importance that they are able to contribute. Emphasised there must be a balance, however this is not currently working.
- The SPAD to the SoS noted, that in his view, Ministers would not accept that SSAC engagement, location involvement or migration notices would have impacted programme timelines.
    - o There was disagreement amongst board members on this, further noting that going ahead with the original tested migration notice would not have involved further testing.
- The SPAD to the SoS noted:
    - o Ministers are accountable and so it is reasonable for them to want to influence the work.
    - o Ministers require sufficient time to clear products.
    - o Further asking the following in relation to further plans for tests:
        - ▪ What is the rationale for further testing in Bolton/Medway and what is it the programme is trying to learn?
        - ▪ What are the constraints on testing more quicky?
        - ▪ Is the Programme set to learn enough for the key milestones later in the year?

- The Programme Director noted the plan was never to know everything by the end of discovery but that there is the potential of learning enough if automation work progresses simultaneously.
- The UC Product Director emphasised:
  - That pushing more volumes through testing will result in greater learning about Transitional Protection variants and claimant scenarios and circumstances.
  - Tests need to grow incrementally and so starting with large volumes was not feasible. For example, we developed an early process for sending migration notices which had to be tuned which could not have been done using large volumes.
- The UC SRO emphasised:
  - The timetable has been pushed beyond the level of risk the programme is just about comfortable with. Further highlighting that if something goes wrong, the programme will have to come off the accelerator to restore balance.
  - The teams do not need more requests.
  - Any problems are magnified due to the small volumes, now is the time to hold our nerve, and trust the team, not to try to tweak our way out of issues.
- The Digital Director noted the following updates regarding developer recruitment:
  - As per the Chair's request, the paper has more clarity and commentary.
  - Work ongoing with PSR Recruitment to bring in contractors, further noting there is still attrition.
  - In June, we have lost 6 hard to recruit roles.
  - UC prefer to buy in specialist skills and augment them into teams.
  - Work ongoing with CDDO to try and solve the issue of pay with DDaT roles, further noting a business case was discussed with CDDO on the 23rd May to get adoption across government, currently waiting on feedback.
  - Work ongoing to identify whether the EDP framework (used by MOD), or something similar would be suitable for UC.
  - Discussion to commence with People, Capability & Place to discuss recruitment into these hard to recruit roles.
  - Work is ongoing to create a blended model of commercial framework and permanent staff.
- The Chair highlighted recruitment is a big issue for the programme with profound impacts and emphasised the need to collectively find a way through this. Highlighted that the situation is not improving and suggested one option is to create long term partnerships with delivery partners to provide resource.
- The Digital DG noted the two ways of obtaining resource, buy or build, further noting the option to buy is becoming more difficult due to the competitive market and that Civil Service rates are not competitive. Additionally:
  - DWP previously had a contract to obtain resource, however this was not fruitful and expired in 2022. The DSP contract should provide us with this option; however, it is not ready at present.
- Noted that Move to UC is a priority and resources will be prioritised accordingly
- In relation to the readiness to scale criteria, the SPAD to the SoS asked whether the criteria is expected to remain the same or refine. It was noted that there could be the need to iterate without making it too granular.
- Any issues affecting Move to UC, in regards digital recruitment will be raised to UCPB.

AP01: Digital Director and Digital DG to return to UCPB in July to provide an update on the recruitment challenges faced by the programme in hard to recruit roles.

Paper 2 – Product Development Phase 12 – UC Product Director

The Presenter walked attendees through the paper, highlighting the following additional key points:
- Phase 12 started at the end of May and runs to November. Working in patterns of 6-month phases to set the trajectory of teams doing service design and delivery across the service.
- Highlighted the 8 service goals within the annex. Noted that ideally, if there was capacity, work would continue on all 8, however capacity constraints have impact. 4 goals have particular focus in phase 12: maintaining service and long-term operation, Move to UC, Fraud & Error (with a focus on Targeted Case Review) and supporting claimants into work.
- Walked members through the high-level summaries as noted in the paper (page 2), additionally noting work on Move to UC in addition to the trials already discussed:
  - Work Is needed to introduce automation, in particular in calculating transitional protection with HMRC data.
  - Foundations for the earliest testable service needs completing. Work on Reminders was underway which would go out later in the week pending agreement with ministers. Work to design extensions would follow and is required by 9 August.

Programme Board Discussion

- The Chair queried the high level of effort breakdown for sustainable delivery vs MtUC. In response, it was noted that that is required in order to keep the service running efficiently.
  - The UC SRO highlighted that not diverting people to sustainable delivery would be the same as not having enough people to work on the system. Further emphasising the need to invest in reducing technical debt on the system to avoid escalation.
  - Noted the importance to keep the service efficient, stable, safe and relevant post the closure of the programme. Additionally highlighted evidence that it is easier to retain developers if they are working on a modern service.
  - Highlighted the behind-the-scenes work to keep the service safe, for example reducing database sizes etc.
- The Chair noted the importance of the sustainable delivery.

Paper 3 – Targeted Case Review (TCR) – TCR Delivery and Assurance Strand Lead

The UC Product Director introduced the paper, noting that TCR was part of the Spending Review bid to reduce Fraud & Error in the UC Programme. Funding was agreed and the project was formally stood up at the beginning of the year. TCR is a key outcome for the UC business case and therefor supporting it at Programme Board seems relevant.

The Presenter gave an overview of the paper:
- TCR Looks at a whole case and requests proof and verification of all aspects, it leaves no stone unturned.
- Currently have 37 agents who are testing random cases. Tests have also commenced on targeted cases. Fraud is being found in random cases which is promising to the project.
- Agents are happy with the process. Plans underway to expand to 2000 agents to undertake 800k – 1M reviews per year, however highlighted the need for digital enablers to work at that scale.
- Testing will continue, including to find risks and how risks match to random and matched targets.
- TCR plan to obtain 300 FTA over the summer period.

Programme Board Discussion:

- Noted that some of this work can be automated, ie, a pipeline to get risk cases from TCR to the build, secure document uploads and ensuring no one else is looking at the cases during the TCR process. Security functions are needed to ensure only those with a business need can see secure uploaded documents. Functionality work in P12 will give a level of automation and then can look further into scaling.
- The HMRC Director asked how AME savings compare against SR bid.
    - Noted all assumptions are broadly in line, however emphasised there is only a small sample available at the moment.
- The SPAD to the SoS noted that in the near future, DWP are to agree a fraud target with HMT and No.10 and emphasised that TCR is a big part of this.
- Noted that bringing in 2000 colleagues is huge challenge.
- Noted a human will be making the final decisions. DWP does not generally automate negative decisions as the confidence is not there yet.

Paper 4 – Risk Update – External Affairs, Strategic Design and Planning Director

The Presenter walked attendees through the paper highlighting the following additional points:
- Praised the hard work of the team that sit behind the programme risk management.
- Since April, the big risks have not changed significantly, however mitigations have changed.
- A few things have moved on:
    - Have started managed move through discovery.
    - MtUC strategy and gainer analysis has been published.
- Java Developer risk has been turned into an issue following feedback from UCPB.
- The voluntary phase flight path may need revisiting and reprofiling depending on Ministerial appetite in respect of a broader communications campaign in the Autumn.
- TCR Flight path will be kept under close review and will relook at this when plans are in place for the recruitment phase.

Programme Board Discussion

- The SPAD to the SoS noted the SoS feels the primary risk is that if people don't claim when we want them to, further noting this is now in the risk pack.
- Noted that the programme is receiving enough support from other parts of the department in regards agent recruitment and delivery team capacity. The SPAD to the SoS queried whether recruitment is impacting Move to UC. There was agreement to follow up on the point outside of the Board.
- The UC Product Director noted that TCR has a good plan for this year to scale to 430 agents initially, and 900 by the end of the year. Noted this utilises staff from the recent EO recruitment permanency exercise. The Further 1000 in the following year will be challenging given the job markets.
- Programme Board had a brief discussion on cyber security.

Paper 5 – Finance Update - Senior Finance Business Partner

The Presenter walked attendees through the paper, highlighting the following additional key points:
- Current budget is £181m, with a forecasted £14m underspend due to the impact of the Winter 21 volume refresh and subsequent change in the HMRC requirements.
- Noted HMRC receive 95% budget, and DWP keep hold of 5% which is monitored.
- Operations costs are not included on this paper. Operations figurations in the paper are for the people supporting managed migration. This is continually reviewed as discovery develops.
- Walked attendees through the potential risks on slide 6.

- Figures and risks are reviewed monthly with directors.
- Finance have regular talks with HMT to walk them through plans and forecasts.
- Finances go through quarterly challenges to ensure forecasts are robust and can fund other business at the earliest opportunity.
- Spring 22 volume refresh outputs will impact in the coming weeks and sent to UCPB when ready as part of the usual Finance BTL paper.

Programme Board Discussion

- The Chair highlighted the significant challenge around the number of Work Coaches to support MtUC.
- The UC Programme Director noted that these Work Coaches will be made up from FTA and moving people. Further noting that Work & Health Services tend to deliver well on this.
- Noted that resources will be re-used as legacy runs down.
- Digital Contractors drops off in 2025 as they move across as required to business as usual.
- The UC SRO noted the full business case was done using a flat employment rate, covid and unemployment has gone up but this drives costs up. Further noting that UC is approximately £500m cheaper than the legacy systems it has replaced.
- Caseload composition (increase in full/ higher Conditionality cases) has driven costs. MtUC will drive these unit costs down as the cases migrate into UC, particularly Tax Credit cases positively impact caseload composition.

AOB
- In regard to the Journal BTL Paper, the UC SRO noted that the use of the journal for the £20 uplift was problematic and took a lot of management. The new proposed solution gives SoS and the Chancellor what they are looking for whilst best supporting the programme.
- The Chair requested that voluntary moves be included in future UCPBs as a standing BTL item.

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