

To: UC Programme Board Members **From: Stuart Ison**
Sponsor: Ian Wright
Date: 20/12/2022

Paper Title: Autumn Statement Impacts on Move to UC plan

Issue: Announcements in the Autumn Economic statement to not commence the managed migration of claimants on income-related Employment and Support Allowance (ESA) and ESA and Housing Benefit until 2028/29, coupled with operational resource pressures and DEL efficiency challenges have caused us to review our previously agreed forecast volumes profile of Migrations

Recommendations/Decisions required:

For Agreement – Programme Board are asked to agree the impacts of the Autumn Economic Statement to the UC Plan, including the updated Volume Profile, Planning Assumptions and Phase Schedule through to the closure of the Programme in March 2025

Timing: Routine

Introduction

1. Prior to the Autumn Economic Statement, the Programme plan was to commence the scaling of Managed Migrations from April 2023 with a primary focus on Tax Credit only cases, ahead of undertaking further testing with other claimant cohorts with a view to completing all migrations by March 2025.
2. As part of the Autumn Statement, it was announced that the Managed Migration of claimants on income-related Employment and Support Allowance (ESA) and ESA and Housing Benefit would not commence until 2028/29. This sizeable change to the plan coupled with other elements included in the Statement and wider operational resourcing concerns have necessitated a review of the forecast Migration volumes.
3. It should be noted that the removal of the sizeable ESA claimant cohort from our volumes offers only limited opportunity to complete the remaining Migrations earlier than the existing March 2025 completion date. This is due to several factors including:
 - Largely the same processes, infrastructure changes and support arrangements will still need to be defined and implemented to migrate the other cohorts at scale, including working with local authorities on housing benefit cases.
 - Requirement to smooth the volume profile to support operational demand planning given that the Autumn Statement has created additional demand for operations including bringing forward the nationwide roll-out of the In-Work progression (to commence from

September 2023) and additional DEL challenges and concerns in view of an economic downturn.

High Level volumetric planning assumptions

4. To support the re-planning work PDE agreed a number of planning assumptions on which to base the replanning work and volume profile as follows:
 - Focus for 2023/24 will be to migrate Tax Credit only (including self-employed who are not in receipt of Housing Benefit) to a level that is operationally deliverable from both the DWP and HMRC perspective
 - Volume profiles for 2023/24 will be smoothed to ensure a stable resource position and no significant or sharp downturn in staffing requirement in 2024/25
 - We will commence increasing the scale of migrations with the initial primary focus on Tax Credits claims from April 2023.
 - Discovery testing to migrate non-Tax Credit claimants (with focus on non-ESA/ESA HB) will recommence from mid-2023 (September 2023)
 - Sufficient learning and development will have been secured to commence migration of more complex Tax Credit cases JSA, IS and HB only cases from April 2024.
 - Managed Migration of claimants on income-related Employment and Support Allowance (ESA) and ESA and Housing Benefit will not commence until 2028/29
 - In 2024/25 we will migrate the remaining Tax Credit cases JSA, IS and HB cases.
 - Except for ESA and ESA+HB claimants all migration notices will have been issued by September 24
 - Except for ESA and ESA+HB claimants all claimants will complete their Migration journey by December 2024
 - The Programme will close by the end of March 2025. Programme closure and handover activity will take place through the period from January to March 2025 providing both a contingency window should this be required and enabling a smooth and safe transition to normal live running arrangements.
 - The blend or rate at which claimant groups will be migrated during 2024/25 will be further informed by scaling and further Discovery work undertaken from mid-2023.

Profile Change

5. Following detailed discussions with key stakeholders from across the Programme, HMRC and Operations, a revised profile was prepared, aligned to the planning assumptions. PDE reviewed and endorsed the revised profiles on 14 December. In developing the proposal we ensured:
 - **That we de-risk the commencement of scaling:** ensuring sufficient time to fine tune and stabilise the service ahead of scaling including delivery of the key enabling features required to support the service

- **A smoothed volume profile to support operational planning:** Through the consultation we considered the complexity of Self- Employed Tax Credit cases which had previously been excluded as a separate cohort from the 2023/24 profile. The consensus from the discussions were that these cases should not be considered separately and should now be included from the commencement of scaling as Tax Credit only cases.
6. The Volume Profile and Plans for Tax Credit only migrations commencing in April are firm for 2023/24. Although we have included a schedule for the future cohorts for completeness in the profile, more detailed planning will be required based on learning from future discovery work and early scaling to determine the order and volume for remaining cases to be migrated in 2024.
 7. We have attached separately to this paper a set of slides to describe the volume profiles for Migration Notices and migrations together with a slide that provides a comparison to the profile that was agreed on the 30th September.
 8. With your agreement of the volume profile, we will come back to a future Programme Board to describe in detail the impact of the changes in terms of staffing numbers and costs. A headline summary from the data indicates that with the removal of the ESA cases we see in broad terms:
 - A reduction in overall volumes of around 600k
 - At peak a reduction in overall volumes of around 20%
 - At peak a reduction in staffing numbers in the region of 15% for pre-claim activity

Planning Phases

9. For your information it is worth describing the planning phases that underpin the plan, through to the end of the programme:
 - **Q4 2022 (Oct – Dec 22) – Improve Stability:** Having learnt from the current activity in the Discovery phase the focus of this stage is to address the errors present due to the clerical nature of the processes and tools, and by so doing make the current service design more manageable for case managers so they can spend more time delivering the right action for claimants at the right time.
 - **Q1 2023 (Jan – Mar 23) – Increase Efficiency:** Building on a more stable and repeatable service we will deliver efficiency across the service design for case managers and claimants. Key to this will be automation of Transitional Protection activities; replicating the service delivery in a new service centre with a new group of case managers; and improving the percentage of claimants that make a claim to UC. Site preparation will commence alongside creation of capacity to support further expansion in April.
 - **Q2 2023 (Apr – Jun 23) – Start to Scale:** With a repeatable end-to-end service delivery model we will start to scale the service to more single Tax Credit (including Self-employed TC claims) only claimants whilst also increasing the number of couples that we test with.

Expansion to more sites geographically, including expansion of service centre delivery of move to UC case management to support increased volumes of people in the process.

- **Q3 & Q4 2023 (Jul – Dec 23) Operate at Scale:** Increase the numbers of people notified to move in line with Service Delivery capacity and forecast profile. Rollout to sites nationally and expansion of service centre capacity to deliver the volumes of people that need to be notified. We will also start to explore migrating, through further Discovery, other groups in preparation for scaling to more claimant groups towards the end of 2023.
- **Q1 2024 (Jan – Mar 24) Prepare for completion:** In this period, we will ensure we have consolidated our learning of migrating all remaining claimant types and ensure all preparations are in place to undertake this at the forecast scale, ensuring operational capacity and stability to support this.
- **Q2 – Q4 2024 (Apr – Dec) Completion:** In this period, we will complete all remaining Migrations (excluding ESA and ESA HB). We will also begin to plan the Programme closure Phase to ensure that any remaining duties are planned and a smooth and successful transition to Business-as-Usual post programme can be conducted.
- **Q1 2025 (Jan – Mar 25) Programme Closure and Handover:** We will execute the duties set out in the Programme Closure plan, ensuring a smooth and safe transfer of remaining responsibilities and accountabilities to a steady state is conducted ensuring UC live operations remain supported by key enabling functions throughout. This period also provides a period of contingency should it be required to finalise any outstanding migration cases.

Control Arrangements and Monitoring

10. The proposed forecast provides a basis against which we can both plan and assess our readiness to undertake the forecast migrations on a continued basis.
11. In line with best practice and lessons learned from the roll out of the UC service we will undertake readiness assessments against our agreed migration profile using the agreed readiness criteria to drive out any issues that may prevent continued progress from being made. In addition, the Programme has recently introduced an Implementation Control Centre (ICC) to monitor and control performance of the service in live running.
12. Through this process, we will be able to understand our in-flight performance enabling us to throttle or brake volumes as appropriate, with any significant amendments or adjustments to the profile being impacted and brought through governance for transparency and review

Decision/Recommendations

13. **Programme Board are asked to:** agree the impacts of the Autumn Economic Statement to the UC Plan, including the updated Volume Profile, Planning Assumptions and Phase Schedule through to the closure of the Programme in March 2025.