To:	UC Programme Board Members	**From:**	Mark Cousen
		Sponsor:	Stuart Ison
		Author:	▉▉▉▉▉▉▉
		Date:	21 March 2023

Paper Title: UC Programme Issue and Risk Update

Issue: This paper has been brought to UC Programme Board (PB) to provide an overview of the status of the UC Programme Issues and Risks at March 2023

Recommendations/Decisions required: PB are asked to confirm that they are content the Programme's Issues and Risks are accurately captured and reflect the latest status.

Timing: Routine

Background and context

1. Following the November 2022 Autumn Statement (AS) announcement, to not start the Managed Migration of claimants on income-related Employment and Support Allowance (ESA) and ESA plus Housing Benefit (ESA+HB) until 2028/29, the Programme undertook a full impact assessment and produced a revised set of planned assumptions with a de-risked volume profile. The new Programme Plan and volume profile were agreed at Programme Board (PB) on 20 December 2022.

2. Alongside the significant changes to the Plan, a full review of the Programme's suite of Risks was also undertaken and this paper sets out the changes and the Programme's current Risk position.

Current Risk Position

3. Removal of the considerable ESA/ESA+HB claimant cohort from our volumes coupled with the positive progress made ahead of scaling Tax Credit only migration from April 2023 has improved the Move to UC (MtUC) Risk position somewhat, although significant challenges to completing the migration of approximately one million Households by end of 2024 remain, including: competing Operational delivery demands, securing sufficient skilled software engineers and unforeseen changes to UC Policy or Design.

4. Recruiting and retaining sufficient permanent skilled software engineers to change and maintain the UC Core digital service continues to be a major area of concern and therefore the 'Java Developer (JD) Recruitment & Retention' Issue remains. Alongside the JD Issue, four other Programme level Risks have been retained (see para 7).

5. A new principal 'Scope and Delivery Risk' was also identified (included in the PB Dashboard since 21 January 2023) alongside other emerging concerns linked to Transitional Protection

(TP) erosion or loss of passported benefits and affordability; and a new Risk connected to Stakeholder and Partner Engagement is also in development.

6. In addition to the ESA/ESA+HB announcements made in the AS, a further £260m of DEL funding was also made available for Targeted Case Review (TCR). This will see recruitment increasing at pace with c.2000 FTE Agents in post, originally required for July 2024, now brought forward to September 2023 and an additional c.830 FTE Agents recruited by December 2023 (total c.2830 - approved at ET in February 2023). Whilst the TCR Risks are continually reviewed and updated, full impacting work on the "Bigger" elements announced in the AS, increasing to c.5930 FTE Agents, continues and will conclude May 2023. Once completed all related Risks will be updated to reflect outcomes.

7. The Issue and top Programme level Risks have subsequently been established as:
   ➢ Java Developer Recruitment & Retention
   ➢ Scope and Delivery by December 2024
   ➢ Move to UC – Discovery Testing (in-scope Legacy Benefit Claimants)
   ➢ UC Fraud & Error Benefits Realisation
   ➢ Targeted Case Review (TCR)

   Further detail on these is included for information in the Annexes

   Key Challenges and Concerns

8. The Issue and Risks reflect the key challenges and concerns that the Programme is currently facing, including:
   ➢ **Digital Recruitment & Retention** – securing and retaining sufficient skilled software engineers to support MtUC activity, alongside maintaining/improving the UC core service.
   ➢ **Operational Readiness** – increased Operational service demands resulting from two large expansions at one time, delivering MtUC alongside measures announced in the AS and the Spring Budget e.g. proposals to reduce economic inactivity and support workforce shortages and increased demand for TCR Agents.
   ➢ **Benefit Realisation** – existing levels of Monetary Value of Fraud and Error and delivery of key initiatives (including TCR) to support reduction.
   ➢ **Programme Scope** – unforeseen changes to UC Policy or Design of the UC Service, resulting from wider Government demands, DWP Ministerial initiatives or Fiscal events may increase demands on Product teams, necessitate changes to UC prioritisation plans and/or increase Operational resource demands creating an unstable environment in which to deliver MtUC.
   ➢ **Programme Resource** – proposals to reduce economic inactivity and support workforce shortages may require significant UC build time and UC operational support, reducing their ability to maintain a stable and performant service.
   ➢ **Affordability** – assure new Move processes are affordable within existing funding and within expected efficiency benefits.
   ➢ **Department Reputation** – associated with TP erosion, Debt policy or loss of 'passported' benefits e.g. free school meals, Healthy Start vouchers & Prescriptions.
   ➢ **Cyber Security** - DWP colleagues continue to monitor cyber threats.

- **Stakeholders and Partners** – on-going support from Stakeholders and Partners (including HMRC and DWP Operations).
- **Vulnerable Claimants** - many Legacy Benefit claimants are vulnerable, with related risks of not engaging with the MtUC process that potentially could lead to their claim being terminated / loss of benefits.
- **Confidence in UC** – customer insight underlines widely held fears of moving to UC.

Closed Risks

9. In reviewing the Risk position, aligned to the revised Programme Plan, the following were identified for closure and endorsed at Programme Delivery Executive (PDE) Risk Review Board on the 8 February 2023.

- Move to UC - UC Programme completion by December 2024.
- Move to UC - Voluntary Phase.
- Move to UC - Scaling (remaining Legacy Benefit Claimants).

Risk detail

10. The supporting PowerPoint presentation provides more detailed information including:

Annexe 1 - Trend status of the PB / PDE level Issue and Risks
Annexe 2 - Summary position of the Programme Risks
Annexe 3 - End-to-End UC Critical Path with Risk & Key Dependencies Overlay
Annexe 4 - Programme Board level Issue and Risk
Annexe 5 - PDE level Risks
Annexe 6 - Top Strand level Risks
Annexe 7 - UC Programme Risk Management Methodology, Risk and Issue Guidance

End-to-End Plan including Risk & Key Dependencies Overlay

11. The Risks & Key Dependencies have been overlaid on the End-to-End Critical Path to illustrate the challenges and how they might impact delivery of the plan. This is included at Annexe 3

Programme Status

12. Following PB discussions in January 2023, the SRO accepted the recommendation to downrate the Programme's overall Risk status from Amber/Red to Amber. The status now reflects the de-risked volume profile and aligns with the outcomes from the recent IPA review. However, whilst positive progress continues to be made there remains significant challenges to completing migration by the end of 2024, as outlined above.

Decision

13. Programme Board are asked to confirm that they are content the attached Issue and the Risks accurately capture and reflect the Programme's current status.