



Minutes

Meeting:	Universal Credit Programme Board
Date:	21/03/23
Location:	Microsoft Teams & Caxton House
Attendees:	John McGlynn (Chair), Neil Couling (SRO), Ian Wright (UC Programme Director), Stuart Ison (External Affairs, Strategic Design and Planning Director), Sophie Ingram (Finance Director), Paul Francis OBO Simon McKinnon (UC Digital Director), Myrtle Lloyd (HMRC Director General), [REDACTED] OBO Helen Pickles (Deputy Director PC&P), [REDACTED] OBO [REDACTED] (Cabinet Office Operations), Paddy Rooney (Work and Health DFC NI), Graeme Connor OBO Ronan O'Connor (UC Policy Director), Samuel Mitchell (HMT Director), Mari Roberts-Wood (District Council Chief Executive for Reigate & Banstead), Lesley Woodruff (MTUC Operations Director), Will Garner (UC Product Director)
Presenters:	Ian Wright (UC Programme Director), Stuart Ison (External Affairs, Strategic Design and Planning Director), [REDACTED] (Senior Finance Business Partner)
Apologies:	Barbara Bradley (Work & Health DG), Simon McKinnon (Finance DG), Helen Pickles (PC&P Director)

Welcome, Minutes & Matters Arising

The chair welcomed members and deputies to the meeting. The February 2023 minutes were cleared with no amendments requested.

In his opening remarks the Chair re-iterated that he welcomes questions, clarifications, and observations on agenda items from all board members either via the Teams hand raising facility or directly in the room.

Paper 1 – Programme Director & Move to UC (MTUC) Update – UC Programme Director

The Presenter walked attendees through the paper, highlighting the following key points:

- The programme's RAG status remains Amber.
- Focus is on Q2 scaling, in particular securing operational resource.
- The marketing campaign has been agreed with Ministers.
- Help to claim has been announced for 2023/24, however final discussions with Ministers are ongoing in regards 2024/2025. It is hoped an update can be provided in the April UCPB.
- 900 Migration Notices were sent in February with 1000 planned for March. Work is underway to continue to test various Tax Credit (TC) only approaches including going live with co-branded Migration Notices.
- Recruiting agents for TCR is rated Amber - Red due to the competition of resourcing within the department etc. Work is underway to improve this situation.
- To achieve 930 FTE agents by the end of March is effectively red rated as recruitment is likely to slip into April.
- Work continues on stop notices for terminations. These Stop notices are less of a priority due to low current volumes meaning that HMRC can manage manual procedures until automation.

- Couples will be gradually and incrementally introduced into the MTUC journey. Separate couple tests will likely not be required, however research needs to be undertaken on the timings of the notices. Claim rates will be monitored.
- The Programme continues to track under forecasted unit costs.
- Work underway to ensure clarity of operational resource post the March Budget.
- Highlighted net increases of digital resources, further praising good work by Digital Group and Paul Francis in particular.

Member Discussion:

- Both HMRC and DWP are confident in regards the automation update on 22/03/23, further noting quality checking will be undertaken.
- Noted concerns around TCR recruitment are due to estates management and demand management. TCR agents are already based at a number of different sites. Highlighted concerns on hiring TCR agents in some sites due to possible recruitment into TCR and the need to backfill.
 - The SRO suggested obtaining a location purely for TCR separate from BAU operational teams.
- The SRO and ET colleagues have done a great job communicating with Ministers and setting expectations on deliverability in the build-up to the March budget.
 - Childcare changes and UC Support, as mentioned in the budget, will require Product Team input in the next financial year.
 - Highlighted changes beyond the next financial year (AET change), further noting work will need to be undertaken to test concepts and plans.
- The UC Digital Director gave an update on hard to recruit roles:
 - The Skills Academy has opened for applications which will upskill individuals who would normally have fallen below the bar.
 - There is very little the Programme or Digital can do on salary as this is not set by DWP.
 - A trial is underway to see if current hybrid working arrangements are a barrier to retention. All options will be explored, and it will return to a future Capacity Board.
- The Chair highlighted that the large proportion of digital contractors is a risk to the Programme, further noting there needs to be a long-term plan in place.

Paper 2 – Assessment of Programme Readiness – UC Programme Director

The presenter walked attendees through the paper, highlighting the following key points:

- Currently 1k cases are being sent Migration Notices in March, 5k in April and upwards as the months progress.
- 60 individual measures are tracked to track the capability in place to successfully migrate. This will continue as the volumes increase.
- The plan was presented to the Board following the Autumn Statement, further noting the plan is to build in light touch scaling checkpoints in a smooth and balanced way, effectively likened to going through the gears rather than stopping and starting.
- Noted the need to drive volumes up gradually to support Operations.
- An implementation approach, roll-out plan and resourcing has been agreed for Q1.
- Noted the following resourcing updates:
 1. Teams in Bolton and Bristol are completing end-to-end activity which will continue through to the middle of May.
 2. Additional teams will join Bolton in April for consolidation in May.
 3. Recruitment was successful in Nottingham with reserve lists in place.
 4. Discussions are ongoing with the Ministry of Defence to bring in a cohort facing redundancy.
- It is planned that case selection automation should be in place by April, however, 10k claimant records from HMRC have been made available to allow UC to do manual case selection (5k) in April if required.
- The Implementation Control Centre was created to understand what is happening on the front line, identify issues and to allocate people to investigate and tackle issues.

- The communications plan is progressing well and requires finalising.
- Scaling is rated Amber – Green.
- The recommendation was to commence scaling as per the plan.

Member Discussion

- The HMRC DG noted confidence on automation and that they know what needs to be done and have contingencies in place if needed. Excom are content.
- In response to queries on delays, it was noted that case selection automation is delayed by 2 weeks with contingency in place. Termination stop notices do not hit volume until later in the year and HMRC are efficiently managing this manually at present.
- Work is underway on creating roll-out schedules for Service Centres. Currently Bristol and Bolton hold the MTUC claims, however, going forward they will pass the management of these claim to UC BAU.
- Dependant on the Board's decision and agreement from Ministers and No.10, there is a series of products to be published on the 01/04/23. This includes writing to parliamentarians; press release; internal and external communications. Subject to Cabinet Office agreement, UC will launch a communications campaign to include radio and digital. Job Centres are to write to MPs when rollout starts.
- The increase in migration notices could potentially be picked up by those wanting to criticise DWP and Government.
- Going forward, the MTUC Operations Director will produce a monthly Operational paper to report on progress and findings from the Implementation Control Centre.
- The SRO thanked the HMRC DG and HMRC for their support.

Decision01: The Board endorsed the recommendation to the SRO to commence MtUC scaling and is content with the methodology used.

Paper 3 – UC Programme Risks Update - External Affairs, Strategic Design and Planning Director

The Presenter walked attendees through the paper, highlighting the following key points:

- The overall risk profile has improved due to, in the most part, ESA and Housing Benefit being pushed back to 2028/29.
- Noted confidence to move Tax Credit (TC) claims within the next 12 months.
- The team are activity managing risks, in particular 3 big area risks:
 1. Operational delivery demand – the MTUC Operations Director is effectively managing this risk.
 2. Digital Recruitment (software engineers).
 3. Outcome of the Spring statement and unforeseen changes to UC policy and design. Part of the aim is to reduce the flow of potential changes to the system. This is partly mitigated by the work of the SRO, Chief Portfolio Officer, and Executive Team.
- Highlighted the risk on departmental reputation (TP erosion, passported benefits, stakeholder and partners). Vulnerable claimants are less of an immediate issue due to focusing on TC claimants first.
- Highlighted a new risk on scope and delivery by 2023/24.
- The UC completion by 2024 risk has been morphed into other issues.
- The voluntary phase risk has been closed.
- The Presenter gave his thanks to the Programme Team who manage and track these risks.

Member Discussion

- The Chair noted the need to make a distinction between permanent and non-permanent colleagues. Further noting that although the immediate problem has been solved, a long-term plan is needed and DWP need to respond. The Presenter will look into this risk in that context.
 - The UC Digital Director agreed with the Chair, further noting:
 - The longer-term aim is for a permanent workforce in hard to recruit roles.
 - The issues faced is shared with and recognised across Government.

- DWP/UC do not have direct influence in the way pay is awarded.
- A trial is underway to better career progression within grades which will encourage retention.
- The SRO noted the importance to keep focus on the benefits realisation risk (including the benefits realised historically).
- The Board were content the Programme is accurately capturing the risks.

AP01: The SRO is to write to the Permanent Secretary about UCPB's concerns for future delivery and lack of a long-term plan in regards recruitment of hard to recruit digital roles (software engineers).

Paper 4 – Finance Update – Senior Finance Business Partner

The Presenter walked attendees through the paper, highlighting the following key points:

- Changes have been impacted from the Autumn Statement.
- The budget hasn't moved and the headline is a good news story with forecasts within 1% of P6 forecasts.
- Programme costs have increased by £253m which is mainly a result of the Targeted Case Review (approx. 63m for 23/24 and 193m for 24/25 for bigger and faster ramp up).
- MTUC costs have reduced since the previous update.
- Work is underway with HMRC to identify what is required to deliver from a HMRC perspective.
- Highlighted a reduction in Local Authority financial estimates.
- Running costs have increased due to the AET change.
- Savings have increased due to an increase in Intensive work search claimant numbers.
- Directors have worked closely with the Finance teams to ensure finances stay on track.
- The figures are based on the previous claim rate (98%), however, in reality this will be lower. The Head of UC Analysis will engage with the OBR once volumes have increased.
- Some ESA cases for migration beyond 24/25 are not included as the Business Case does not run beyond this point.

AP02: The UC Product Director and the External Affairs, Strategic Design and Planning Director to review resource profile and rationale ahead of budget setting in 24/25. The Senior Finance Business Partner is to check figures with analysts and update UCPB via correspondence.

Decision02: UCPB were happy with the Finance Update and for these figures to be fed in to GMPP reporting.

AOB

The Work and Health DFC NI Representative gave an update on Northern Ireland:

- There is an experienced programme team in place and the business case has been approved by Finance and the programme.
- The programme is currently rated Amber, however emphasised concerns that it may move to Red after the budget.
- There are significant vacancies, however there is a temporary recruitment pause in place. Therefore, it is not possible to recruit to fill current baseline vacancies, additional staff for MTUC and there is no funding for Targeted Case Review staff to tackle fraud and error.
- Highlighted the implication that if funding is not provided, Northern Ireland will be unable to align to DWP and HMRC plans.

- A strong representation was made to the Northern Ireland Office and Northern Ireland Secretary of State to obtain funding to align plans.
- Discussions are taking place between their Permanent Secretary, DWP's Permanent Secretary and the NIO Permanent Secretary on the importance that funding is obtained in the budget.
- Should funding not be sufficient, redeploying staff from other benefit lines will be considered in order to align with DWP/ HMRC plans and protect parity.
- In the meantime MTUC plans are progressing with the discovery phase commencing 17 April.
- Northern Ireland will scale after discovery, as agreed at their UCPB.
- In regards the Work and Health DFC NI Representative's Department not receiving any Barnett consequential of budgets allocated to DWP. This type of funding is un-hypothecated, meaning it is allocated to the Northern Ireland Block Grant and for the NI Executive to decide where the funding goes with Health and Education the priority areas. To date the Department has not received any recurring budget for the additional staff required to deal with the increased UC caseload, MTUC or TCR.

The SRO noted these risks must be escalated both in GB and in Northern Ireland. The Board suggested that the HMRC DG also raise this risk with the Finance Secretary.

The SRO will follow up on the Chair's suggestion for The Product Director and External Affairs, Strategic Design and Planning Director to visit external organisations to gain learning.

The SRO announced and congratulated the Product Director who was successful in securing the role on a permanent substantive basis.

Next meeting: 18/04/23

Contact: [REDACTED]