

To: UC Programme Board Members

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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

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

Timing: Routine

Summary Position

Expanding Tax Credit only migration commenced as planned on 3 April 2023 - an important step forward for the Programme.

Close working continues with HMRC and DWP Operational colleagues to plan and prepare for the next few months as we rapidly increase the numbers of household notifications issued per month, (reaching 80k per month by December) including making the service more efficient.

The implementation plan for the remainder of 2023/24 has now been agreed with the latest detailed readiness assessments, to assess progress and assure we can commence operating at scale safely and securely, completed and confirmed at Programme Delivery Executive with an overall readiness assessment rating of Amber.

In addition, in line with Programme Board feedback from the March review of Risks, the Java Developer (JD) Issue has been reconfigured to separate the challenges faced when recruiting permanent staff and contractors respectively and the SRO has written to the Permanent Secretary to ask for the JD Issue to be formally put on the Department's radar.

Finally, the longer-term risk of Benefit Realisation for the UC Programme, i.e., the risk that we do not fully realise the benefits as set out in the revised UC Business Case is now being considered following last month's Benefits Realisation update at Programme Board.

Key Challenges and Concerns

1. 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 Move to UC (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 Autumn Statement and the Spring Budget e.g. proposals to reduce economic inactivity through the Workforce Participation Package and increased demand for TCR Agents.
 - **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** – Workforce Participation proposals may require significant UC build time and UC operational support, reducing their ability to maintain a stable and performant service.
 - **Affordability** – assure new MtUC processes are affordable within existing funding and within expected efficiency benefits.
 - **Benefit Realisation** – existing levels of Monetary Value of Fraud and Error and delivery of key initiatives (including TCR) to support reduction.
 - **Department Reputation** – associated with Transitional Protection 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 or to a loss of benefits.
 - **Confidence in UC** – customer insight underlines widely held fears of moving to UC

The Primary Issue and Risks

2. In developing and controlling the Plan, we have identified one Programme level Issue (Major) and four Programme level Risks (one Red, three Amber/Red). They are:
 - Java Developer Recruitment & Retention
 - Scope and Delivery by December 2024
 - UC Fraud & Error Benefits Realisation
 - Targeted Case Review (TCR)
 - Move to UC – Discovery Testing (in-scope Legacy Benefit Claimants)

At top Strand level, we are managing six Risks (one Red, three Amber/Red and two Amber).

Further detail on these is included for information in the Annexes

Risk detail

3. 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

4. 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

5. The Programme's overall Status remains Amber. Whilst positive progress continues to be made, significant challenges to completing the migration of approximately one million households by end of 2024 remain with dependencies on operational capacity / capability, support from stakeholders / partners and controlling changes to scope or design of the UC Service.
6. Measures to meet these challenges include scope control, partnership working with stakeholders on the back of published analysis, advertising campaigns and creating an enabling environment.
7. The Targeted Case Review team are also making positive progress, having secured approval from the Executive Team and Capacity Board to recruit resources for Q2. In addition, Workplace Transformation has confirmed sufficient locations for the same period, supporting recruitment of c.2000 FTE EOs by end of Sep 23. These decisions, together with strong increases in AME performance throughout February and March have increased confidence levels regarding achievement of AME targets, reducing the Risk from Red to Amber/Red.

Decision

8. Programme Board is asked to confirm it is content the attached Issue and the Risks accurately capture and reflect the Programme's current status.