

# Move to UC Operational Update

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For Discussion and Information

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OFFICIAL SENSITIVE

# Summary

## **This paper is for information on**

The paper provides an operational delivery update on:

- Operational Delivery Update
  - Overview of outcomes from 22/23 Q4 cohorts
  - April and May activity against the profiles
- Preparation for June and repair activity
- Resource position and Implementation activity
- HMRC update
- Emerging Risks and Issues

# Operational Delivery Update

**Focus on the first quarter January to the end of March.** 2,550 Migration Notices issued, 1,536 claims to UC have been made and 391 Terminations issued. There has been 17 Extensions Awarded, 3 paused complex cases and the remaining 620 customer still within in the time scale. 79% of the cases required a reminder. 825 Transitional Protection Awards were made.

## Overview of Customer Groups

- Of the 3,336 Customers that have claimed since January 18% have landed in the Intensive Cohort; 41% in the Earning Enough cohort; 30% are Light Touch In Work; the remaining 11% are spread across Work Preparation, Work Focused, Work Related Requirements and Light Touch out of Work.

Activity	Apr 23	May 23
Total Migration Notices issued	5,104	13,195
Customers yet to apply following MN Issue	3,964	12,203
Claimed UC	1,140	992
Transitional Protection Awards made	462	370

## In month headline Figures for May 2023 :

- 13,195 Migration Notices issued, against the 13k profile
- 2,566 Reminder Notices issued
- 998 Inbound Calls Taken, an increase of 483 on the previous month

## Cumulative figures Jan to June 2023

- 23,002 Migration Notices sent, of which 18,939 customers are yet to apply and are still within the timescale.
- 3669 Move to UC claims have been made.
- 391 Tax Credit claims have been terminated without a UC claim made within the 3 months and 1 day deadline.
- 1657 Transitional Protection awards have been made with an average value of £204.

# June Planning & repair activity

## June planning

- Robust plans that plot our resource position for June against the required step-up to 22k Migration Notices, alongside all other essential activity, shows that we are in a good place to deliver to profile.
- Data from the first 7 days shows 6700 Migration Notices sent against a minimum required run rate of 7k (1k per day).
- We continue to work closely with Design and Programme colleagues to ensure sufficient volumes of HMRC customers are received into the system daily to sustain this activity. Contingency data has been acquired from HMRC for 20k cases.
- Agents in our pre-claims teams continue to Case Manage any UC claims made prior to 17 May (when the new Operational Model was introduced). We are planning to move those case back to their geographically aligned Service Centres once the functionality is in the system to unset the Move to UC interest – we anticipate this will be in July.
- Whilst we are still developing our full Quality Framework, comprehensive checks already provide assurance that this step up in volume has not compromised quality. Automation in the population of migration notices will further remove instances of human error from the process. 2,151 Checks have provided an overall accuracy of 93%.

## Repair Activity

In May, we took a team of MtUC agents offline in order to undertake repair work. This work is ongoing for cases identified as having two types of error by the system.

- The first is where the calculation has used the wrong National Insurance rate
- The second is where the system has erroneously recorded zero earnings for the previous month as the tax year changed.

It is anticipated there could be approx. 1k cases to be looked at, although this pot will continue to expand until the system fix can be implemented.

### Error Type 1

- 228 cases have been worked so far;
- 93 resulting in underpayment;
- 6 resulting in over payment;
- Totalling a value of £47,520.
- 205 cases of error type 1 remain to be actioned

### Error Type 2

- 1K cases have been identified and work is starting on these cases now

# Resource position and Implementation Activity

	May	June
Core Activity Demand	78	125
Core Activity Supply	65	109
Discovery Team FTE supporting core delivery	16	16
Total Core Activity supply including Discovery Team	81	136

- May: Move to UC had an active supply of 81 Agents, trained and consolidated, against a demand of 78.
- A shortfall in core delivery agents has been supplemented by support from the Discovery Team in Bolton. We are projecting that 8 of the 24 Discovery Team will be needed for Discovery activity in June.
- June: active supply of 136 trained and consolidated agents against a demand of 125, 16 of those are Discovery agents.

## Implementation activity

- Greater Manchester and North-East Yorkshire and Humber went live on 5th June.
- Implementation activity is well underway across Kent, North London, Durham & Tees Valley and East Anglia in advance of their 3rd July go-live – alongside activity in the linked Service Centres in Canterbury, Belfast, Stockton, Derby & Nottingham.
- In August we go live in four District including our first Scottish sites; West Yorkshire, Staffordshire & Derbyshire, West Scotland and South London – and the linked Service Centres in Stockport, Dundas, Derby and Bolton.
- In September we go live with a further 6 Districts including our first Wales footprint with 22 sites across South West Wales.

# HMRC UC Update – June 2023

All Tax Credit Migrations	May 22 – May 23
Total Migration Notices issued	25,548
UC Claims Made (and completed)	5,276
TC Claims Terminated (with no subsequent UC claim made)	661
T/P Calculations Made	3,081
Former TC Claims receiving T/P	2,438
%age of ALL Awards getting T/P	46%
Average TP amount	£193

As reported last month this section includes all cases where the migration notice has been issued up to the end of May 2023. At the end of April there had only been 9,534 notices issued, so the change in these figures shows how the volumes are significantly ramping-up. It remains difficult to draw too many conclusions from this as less than 10% of these cases have had the time to complete their full migration journey.

While the number of notices issued has increased dramatically the ‘behaviour’ of the customers has not changed with the number of cases where the tax credits customer has not made a claim for UC remaining high. Ongoing analysis is being undertaken, but there remains no over-riding reason for this or any significant contact/complaint. Now we have started the Discovery on Couple Claims it will be interesting to compare the termination (and T/P) rates, but it will be some time before any analysis will be valid.

## HMRC Update

- The completion of the delivery of all the IT Requirements across both Depts to automate the Expansion process remains close with ongoing issues being resolved as they arise. This just leaves the switch on of the Termination Stop Notice (scheduled for mid-June), but we are confident we can continue to manage this casework manually, even though the volumes are ramping up week by week.
- A scan containing 20k additional contingency cases was used to support the May Expansion profile. A further 20k scan is being completed to support the June profile, while the scan of the 1k ‘Couple’ cases is being used to complete their Discovery.
- We are still not seeing anything out of the ordinary in customer behaviour and/or contact at present but will keep an eye on this as we issue further cases in the ‘Couples’ Discovery, but there are no issues at present.
- We have completed a second full month of Pre-Migration TP Checks. Until we have the HMRC automation completed we are using a manual selection process, so won’t be 100% up to speed until July, however our early findings are that there is value in undertaking these risk-based reviews. The risk review is identifying 10% of cases for intervention and of those 50% are having their T/P rate re-assessed (so the T/P is being changed in 5% of all migrations). The average rate of change across has increased to just under £2k pa.
- We continue to work with DWP on the Pension Credit Feasibility Study and are happy to support the adoption of the ‘Hybrid Solution’.

# Emerging risks and issues

## Management Information and Data

- In the absence of a robust data set we heavily reliant on gathering data from manual activity to manage operational delivery and ensure that we are delivering to, and not exceeding, the agreed profile. As we move further into an automated system there is a risk that we the ability to gather this information in real time. This could lead to unexpected peaks or dips in activity/ Equally it could mean we may not be certain of achieving the monthly profile in time to make adjustments. The automated process is in early stage so we are monitoring closely, working with the design and delivery teams.

## Resourcing

- Month on month planning is providing assurance that we're able to meet the coming months' profile. However, we continually look to balance workload to supply reviewing the cost model assumptions and potential risks and opportunities linked to the profile itself. EO recruitment/progression presents a risk to our supply and uncertainty around the level of service required for more complex customer groups also remains an unknown. Currently there are a number of activities that are not taking the time allocated in the cost model, we are working to review assumptions ahead of a refresh.

## External Comms

- We have seen a small number of isolated cases of mis-information among external partners. Whilst it's entirely possible that some of this has come from partners talking to each other – it has led us to take stock of our approach. The 'just in time' communication strategy for our colleagues in external facing roles and a lack of anything specific for these colleagues within the implementation activity could be a contributing factor. To mitigate this risk we are reviewing our comms approach and plan to hold some virtual, and perhaps in the Autum face to face, events for this community.