



<b>Meeting:</b>	Universal Credit Programme Board
<b>Date:</b>	05.09.23
<b>Location:</b>	Caxton House Room 6:24 Microsoft Teams
<b>Attendees:</b>	John McGlynn (Chair), Neil Couling (UC SRO), Ian Wright (UC Programme Director), Sophie Ingram/Louise Skelton (Jobshare – Finance Director), Lesley Hawkins and OBO Barbara Bradley (MtUC Operations Director), Stuart Ison (External Affairs, Strategic Design and Planning Director), [REDACTED] OBO Myrtle Lloyd (HMRC Director), Mari Roberts-Wood (Reigate & Banstead District Council Chief Executive), Helen Pickles (PC&P Director), Marcus Mason (HMT Director), [REDACTED] OBO [REDACTED] (Cabinet Office Operations), Paddy Rooney (Northern Ireland), Graeme Connor OBO Angus Gray (UC Policy Deputy Director), Will Garner (UC Product Director), Paul Francis OBO Richard Corbridge (UC Digital Director), [REDACTED] (Observer), [REDACTED] (LGA), [REDACTED] (NAO)
<b>Presenters:</b>	Ian Wright, Lesley Hawkins, [REDACTED], Will Garner, Stuart Ison, David Watts (TCR RA Project Director)
<b>Apologies:</b>	Barbara Bradley (Work & Health Services DG), Myrtle Lloyd (HMRC DG), [REDACTED] (Cabinet Office Operations Lead), Angus Gray (UC Policy Director), Richard Corbridge (Digital DG)

#### **Welcome, Action Points & Matters Arising:**

The Chair welcomed members and deputies to the meeting. Due to a Ministerial meeting of which some members need to attend, the agenda was re-ordered and shortened at short notice.

Both actions as noted on the AP log were closed (1807AP01 & 1807AP02). Minutes from the previous UCPB were cleared with no amendments requested.

The SRO said we had not yet received the judgment from the FOI case recently heard at the tribunal and would update the Board when it was.

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#### **Paper 1 – Programme Director and MtUC Update – UC Programme Director**

The Presenter highlighted the following key points:

- The Programme's status remains amber.
- There are plenty of challenges in the TCR space as shown by multiple amber-red milestones.

- MtUC exceeded the August forecast for sending out 38k migration notices and we were ahead of profile year to date.
- Discovery for non-Tax Credit (TC) only cases are on track to begin on 06.09.23 with a cohort of 500 migration notices.
- MtUC has expanded into Scotland and will be expanded into Wales this week with the Welsh language notifications in place.
- Migration notice automation is ready for TC only cases.
- MtUC statistics have been published and will now appear quarterly.
- Stakeholder feedback on MtUC remains positive, although there was one press release from the Child Poverty Action Group which is being picked up by the relevant teams.
- Radio advertising started in September.
- TCR recruitment is picking up at pace, however, is still below forecast.
- The Help to Claim supplier has been chosen and work is underway to take this through multiple governance routes.
- Amber milestones are generally due to complexity and timescales and are not causing concerns at present.
- Amber-red milestones are all relating to TCR with the reasons being:
  - Recruitment – Struggling to keep up with the forecast, with current progress 1-2 weeks behind expectations, but that was not material.
  - Resource augmentation – the timeframe is ambitious with no contingency.
- The increase in the unit costs, as shown in the paper, is nothing to be concerned about. This was caused by the one-off cost-of-living payment of £1500 to the majority of Civil Servants. Unit costs will return to normal in October.
- Programme costs have reduced by £4m. A meeting is taking place on 07.09.23 to look through the budget and discuss finalising the forecast.

#### Discussion:

- August's MtUC profile was exceeded, however July's wasn't met. Emphasised this was not because the system couldn't cope, instead it was because the number of eligible migration claimants in the postcodes available at the time was below forecast.
- The Chair highlighted he would like to keep the hard to recruit roles recruitment risk (Java Developers etc) as a Programme risk at UCPB.
  - The UC Digital Director noted a meeting is being held at the end of September to decide on the number of people currently in post, type of people (Civil Servant vs Contractor) and how to allocate staff to teams.
  - SEO and G7 campaigns are becoming increasingly successful.

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#### **Paper 2 – MtUC Operational Update – MtUC Operations Director & HMRC Director**

The Presenters highlighted the following key points:

- We were slightly ahead of the year-to-date profiles of 100k migration notices issued.
- New claims are coming in pockets and work is underway to identify possible reasons for this.

- A media campaign went live over the summer.
- The majority of claimants join the 'working enough' regime, further noting the benefit of this, especially to Jobcentres.
- 15% of TC claimants are not claiming UC, maintaining the earlier trend.
- From January to March, every claimant has either claimed or has been supported and subsequently terminated.
- Termination rates remain steady.
- 500 couple notices have been sent out with under 150 claims made as of 04.09.23. There seems to be a higher termination rate for couples.
- HMRC are not receiving any complaints regarding MtUC terminations from TC claimants.
- Work is underway to explore making phone calls before termination to nudge and identify reasons why someone is not claiming.
- Attrition is being seen in Nottingham, Stockport, and Bolton (approx. 15 – 20 FTE lost to EO recruitment). There are plans in place to backfill. Q3 recruitment has been agreed.
- MtUC went live in Wales in September, with a Welsh phonenumber now available.
- Work is on-track to expand into central and southeast Scotland in October.
- The following updates were provided from a HMRC perspective:
  - There is a lag in terms of caseloads dropping off. This is thought to be because people generally wait until the last possible moment to migrate.
  - The required IT is all in place.
  - HMRC are turning their attention to next year which is in a good place.
  - There are currently just under 1m TC cases in GB and approx. 50k in NI (down from 4m cases before UC began).
  - When people decide not to claim, HMRC are not seeing any evidence of anything other than customers making an informed decision.
  - A TC leaflet is due to be sent to approx. 1m claimants in the w/c 11/09.

#### Discussion:

- The HMT Director queried the reasons for the July migration notice being slightly behind profile and also in August.
  - In response, the SRO highlighted that the automation tool may undershoot numbers for the first few months, as discussed at a previous Board, until we were at more postcodes. When the paper was written progress was behind schedule, however in the previous 2 days there had been 7k cases come in from the automation tool and we were now ahead of the monthly and YTD profiles. This volatility was to be expected with small numbers of postcodes to draw on but would settle down as more postcodes come on stream.
- The Chair highlighted that a 15% no claim rate is higher than expected. In response:
  - Data suggests that those who don't claim tend to have a smaller entitlement, or whose earnings are due to increase.
  - During discovery we expected that 3% DWP claimants would not claim, and this was seen. TC cases showed a higher no claim rate in discovery and this is what we were seeing now as volumes increased. It is a hypothesis for now but

this TC no claim rate maybe the rate we can expect for TC cases given it is what we observed in discovery and now as we take on more volume.

**AP01:** HMRC Director to produce a monthly report that shows the number of TC cases remaining. This is to be added to the monthly MtUC Operational Update.

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### **Paper 3 – MtUC Learning to date for couple's claims – UC Product Director**

The Presenter highlighted the following key points from the paper:

- Highlighted the update provided is the picture so far and that many claimants have not yet reached their deadline.
- There are slightly more singles than couples in the TC cohort but couples are a significant proportion of those left to move.
- The process of couples claiming UC is the same as singles, except for the requirement of linking codes to join up two applications from the same household.
- There is confidence that people understand the migration notices, however it may be required to make a few amendments for the couples cohort.
- Telephone claim numbers are lower than that of the whole of the UC service which is expected from the TC population.
- TC renewals caused some confusion amongst some claimants who didn't understand why they had to claim UC after renewing.
- Proving housing costs/address is more complex due to more than one person in the address and bills may not be in both names.
- Currently there is a lower claim rate than expected.
- Work is underway to consider how to provide wider information and support to help couples.

Discussion:

- The Radio campaign doesn't provide a lot of information other than encouraging people to act when they receive a Migration Notice. There may be more that could be done on social media to provide information.
- Data Scientists are undertaking work to understand who claims within the grace period and whether people who have been contacted have claims in progress.
- The Board agreed with the Product Director that it was early days on couples, and we shouldn't rush to judgements. They asked to be regularly apprised of progress on couples.

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### **Paper 4 - Early feasibility of conducting ESA Migrations in 2025-26 - External Affairs, Strategic Design and Planning Director**

The Presenter highlighted the following key points:

- Initially the plan was to migrate 2m+ legacy benefit claims by 2024/25. Last year the decision was made to push back the migration of approx. 800k ESA cases until 2028.

- The reason for pushing ESA cases back to 2028 was due to fiscal reasons at that time.
- A feasibility assessment has been undertaken in respect of bringing forward the migration of ESA cases, as noted in the paper.
- Bringing forward the migration to 2025/26 would bring significant benefits and should be considered. Benefits include:
  - Programme delivery benefits (not having to close a programme to open it back up again).
  - Mutual benefits to claimants and the labour market.
  - Stakeholders' views on Move to UC are generally positive and on an upward trajectory, further noting the monthly engagement sessions have been successful.
  - Current stability of the policy environment.
- Highlighted potential challenges around AME costs and delivery challenges.
- Discussions are ongoing between the Department, No.10 and HMT. The Decision is dependent on these ongoing discussions.
- UCPB will continue to be informed of progress and an update will be brought back in due course.

Discussion:

- The SRO highlighted that pushing back migrations for ESA was purely a fiscal decision in partnership with HMT. It is sensible to review this now that financial crisis has passed but ultimately this will be a collective decision for Ministers, not the Programme.
- The HMT Director highlighted the labour market impact would be very interesting, further noting any evidence on this would be of interest to HMT.
- Noted the possibility to prioritise this work for analysts.
- Noted the potential to identify how many people would need to get back into work to break even financially.
- The Policy Deputy Director noted the limited capability for work regime and that partners are closer to the labour market - it would be important to see what evidence was available on the respective success of ESA and UC – in relation to former ESA claimants – in getting people into work.

**AP02:** The Policy Deputy Director to task analysts with obtaining any evidence to support the proposal to bring forward ESA Migrations to 2025/26 (as noted in the discussion on Paper 4, UCPB 05.09.23).

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**Paper 5 – UC Programme Issue and Risk Update - External Affairs, Strategic Design and Planning Director**

The Presenter gave an overview of the UCPB Risks:

- Noted the recommendation to escalate the TCR risk as a Programme risk. Recruitment is progressing well however there are a number of factors at play, e.g., timescales for procuring a supplier for resource augmentation.
- The risk of Digital hard to recruit roles will continue to be reviewed at a Programme level.
- Cyber security work is underway in regards servers and their locations to mitigate risks.

Discussion:

- The cyber security risk is a key risk at UC PDE and across the Department. It is taken very seriously.
- The UC Digital Director gave an update:
  - Security clearance is a barrier to digital recruitment in some cases.
  - Work is underway to flag broken codes.
  - An exercise was undertaken in regards cyber-attack responses.
  - Work is underway to identify how best to pay claimants in the event of an incident.
- Noted the importance to not purely focus on TCR recruitment and instead also focus on productivity, hit rate and AME saving per hit.

**Decision 01:** UCPB were content with the risks presented on 05.09.23. Additionally agreed to track the TCR risk at a Programme level and to continue to track the Digital recruitment risk at the Board.

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**Paper 6 - Targeted Case Review Resource Augmentation Outline Business Case – TCR RA Project Director**

The presenter highlighted the key points from the paper, additionally noting:

- The paper is being brought to UCPB to gain approval for the outline business case for TCR resource augmentation.
- The business case had previously been approved both by UC PDE and TCR PB.
- On UCPB's approval the business case will be taken to Investment Committee in September.
- There have been no fundamental changes since the June UCPB's TCR update.
- The proposal is for 2.5k agents who will work alongside DWP staff with the same responsibilities, except decision making as this would be on behalf of the Secretary of State.
- The approach is to re-purpose processes and tasks already undertaken in house. A process for how augmented resource hand-off cases to DWP staff needs to be designed.
- Quality management of work will be undertaken by measuring the volume of work delivered and benchmarking that against what DWP deliver. Further noting there are already quality assessments in place.

Discussion:

- Highlighted concerns that the timetable for this work is pacy.
- The UC Programme Director noted that TCR is still new, and processes may continue to change, further noting its more risky than traditional outsourcing.
- The HMT Director offered the help of his team to support this work. In response, noted TCR is working closely with HMT colleagues however any extra scrutiny is gratefully received.
- The MtUC Operational Director is bringing her experience into this work as an operational voice to ensure errors seen in other projects/departments are not repeated.
- The SRO emphasised this is not an outsourcing model, instead staff will work alongside DWP teams.
- Noted the need to have an evaluation of finances in regards estates for a finance perspective.
- The SRO noted:
  - He feels this is a sensible approach.
  - TCR is about quality and intelligent enquiry and is cutting edge. Further emphasising good progress is being made but there is a long way to go.
- Cases are chosen by a mix of targeting and random. Random ensures targeting works and to understand the level of fraud. Over time targeting will increase where evidence identifies where the latest fraud and error is.
- The SRO highlighted the need for UCPB to take into account TCR as is done with MtUC going forward.

**Decision 02:** UCPB approved the TCR Augmentation business case.

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No AOB

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