



Meeting:	Universal Credit Programme Board
Date:	17.10.23
Location:	Caxton House Room 6:24 Microsoft Teams
Attendees:	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), [REDACTED] OBO Mari Roberts-Wood (Reigate & Banstead District Council), Lorraine McGuirk OBO Helen Pickles (PC&P Director), Marcus Mason (HMT Director), [REDACTED] OBO [REDACTED] (Cabinet Office Operations), Paddy Rooney (Work and Health DFC NI), 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] (Observer)
Presenters:	Ian Wright, Lesley Hawkins, [REDACTED], Paula Hassall (TCR Project Director), David Watts (TCR RA Project Director), [REDACTED] (UC Senior Finance Partner), Stuart Ison
Apologies:	Barbara Bradley (Work & Health Services DG), Myrtle Lloyd (HMRC DG), Mari Roberts-Wood (Reigate & Banstead District Council Chief Executive), Helen Pickles (PC&P Director), Angus Gray (UC Policy Director), Richard Corbridge (Digital DG)

Welcome, Action Points & Matters Arising:

The Chair welcomed members and deputies to the meeting.

Both actions as noted on the AP log were closed (0509AP01 & 0509AP02). Minutes from the previous UCPB were cleared with no amendments requested.

The SRO received the judgment from the FOI case recently heard at the tribunal, the case ruled in the plaintiff's favor. There is the option to appeal however the SRO doesn't recommend this, instead proposing the papers be released and DWP release policy be changed to not have redactions. The SRO is keen to protect the 2-year release rule – so that discussions in the Board are not fettered by concerns views will be contemporaneously available.

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

The Presenter highlighted the following key points:

- The Programme's status remains amber.
- Good progress is being made on MtUC Tax Credit (TC) only migration, it is within 3 % of the plan cumulatively and on track to meet October's profile.
- The daily cap on migration notices for TC only is being hit.
- Discovery of non-TC cohorts commenced on 6 September with 523 migration notices, of which over 100 have made claims.
- MtUC plan for 24-25 was brought to PDE which highlighted that there will be more cohorts of vulnerable customers and increased pressure on operations, however the plan aims to retain the projects 3-month contingency.
- The NAO study continues with significant field work taking place including visits to Bolton and Preston Service Centre.
- A peer review of TCR recommended the governance was reviewed given the pace of the project and a PDE for TCR with a direct line into UC PB has been agreed to replace TCR PB.
- Good progress is being made on TCR despite red milestones, which are due to very ambitious targets for the project being set.
- The target of reaching 2000 TCR agents by end of September was missed with actual FTE being 1845, the 2000 target is expected to be achieved by October/November.
- It has been acknowledged that TCR are the best performing recruitment team in the department.
- TCR Resource Augmentation (RA) was first presented to ET with the optimistic assumption that the plan could be delivered much faster than any other similar supplier contract. Currently RA is 3 months behind plan with the possibility to gain 1 month through governance optimisation and the supplier increasing the pace of supply.
- Unit costs are back down from the spike in July caused by the £1500 payment to colleagues.

Discussion:

- The Chair and SRO acknowledged the scale of TCR recruitment, and the role PC&P have played in supporting the team.
- Despite being below target on recruitment and hit rate, TCR are finding a lot of error and fraud.
- Transitional Protection has been a focus point at stakeholder engagement sessions.
- A stakeholder session planned for 3 weeks' time will be used to understand stakeholders' opinions on why some cohorts see a lower claim rate than others and how to target a diverse range of cohorts.
- The Chair highlighted the great progress being made getting permanent digital resources.
- TCR is using automation in collaboration with IRIS to develop rules to improve hit-rate however automation is not being used to make decisions.

AP01: The Northern Ireland representative asked for more information on the AI white mail initiative. Rich Corbridge to share.

Paper 2 – MtUC Operational Update – MtUC Operations Director, HMRC Director & DfC Director

The Presenters highlighted the following key points:

- There was a dip in migration notices (MNs) and were slightly under profile for September however the programme remains broadly on track on year to date.
- 30k MN have been sent in October so far, of which 28k were couples, with well over 165k migration notices sent in total since Jan 23.
- There has been an uptick in telephony of 30% in September, with over 99% of calls answered.
- In the couple's discovery there are only 9 couples that are yet to make a claim and couples have a higher termination rate.
- From Working Age discovery there have been 111 claims to date out of 523 notices, next week 7-week reminders will start to be issued.
- To increase engagement across Working Age, conversations about MtUC will be ramped up in fortnightly JSA appointments.
- Move to UC pre-claim activity continues to be delivered from Nottingham, Stockport and Bolton and plans continue to expand into St Austell with the first group of employees starting yesterday.
- Some customers are calling the working age helpline instead of the UC helpline when they want to make a claim, for now agents are managing to help them, if this becomes unmanageable, they will be redirected to the UC helpline.
- The following updates were provided from a HMRC perspective:
 - The UC migration information leaflet has now been sent to 1.1m eligible TC households.
 - There has been a very small percentage of those who received the leaflet who made a claim as a result.
- The following updates were provided from a DfC perspective:
 - Discovery findings were brought to DfC's PB in September.
 - There is a 77% claim rate in Northern Ireland and 87% of claims are entitled to TP.
 - Scaling up has commenced and the DfC's advertising campaign launched last month, utilising the department's relationship with BBC News and Radio to spread awareness and have 4 slots on one of their shows to discuss MtUC.

Discussion:

- Call listening is being conducted to measure the quality of the calls and customer satisfaction.
- Concerns are being raised around customers who are currently being paid weekly on TC and supporting them to move to a new payment schedule, in NI there is a UC contingency fund where customers receive a grant to support them.

- Higher rate of termination in couples is being investigated, initial findings suggest that it is more complicated to claim as a couple, there is often an active and a passive partner and some couples are claiming in different couples to how they were invited.

AP02: 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.

Paper 3 – TCR Update on progress and risks – TCR Project Director & TCR Resource Augmentation Project Director

The Presenter (TCR Project Director) highlighted the following key points from the paper:

- Highlighted the update provides details of investment, savings and growth.
- Agents are trying to find incorrectness early on to stop customers falling further into debt but also ensuring they receive what they are entitled to.
- A new hub is opening in Swindon which will have 600 agents and managers, the first vacancy advert closes tomorrow and has received over 400 applications so far.
- A bespoke end-to-end process has been developed for customers to securely upload evidence such as bank statements straight from their smartphone or computer.
- A productivity flightpath has been developed to track the effectiveness of operational and design changes such as agent caseload size and the new agent dashboard.
- YTD we have made £35m in AME savings against the £115m public target for 23/24.
- Tracking of the 4 key variables continues:
 - Average hit rate is 27.7%, above the 25% target.
 - Recruitment continues, in February 22 there were 7 agents in 1 location, as of 16/10/23 there are 1924. FTE across 24 locations.
 - Productivity is currently circa 0.5 claims per agent per day. This continues to be a challenging area.
 - Average AME per incorrect claim is circa £4700, above the £4100 target.
- Focus continues on getting to circa 3000 agents plus managers by end of March 2024.

The Presenter (TCR Resource Augmentation Project Director) highlighted the following key points from the paper:

- The OBC for Resource Augmentation (RA) has been going through governance as planned, the approval from IC was subject to 3 caveats:
 - The OBC needs to be clear about digital solutions, the CMT was seen as insecure and digital have worked to make it secure enough for 3rd party to use. The decision to use CMT needs to be confirmed.
 - Providers shouldn't be offered the option to make variant bids against several service designs. Bids should be against one clearly articulated service design.
 - Senior colleagues should be reminded that TCR are trading off the potential for suppliers to innovate against the need for the provider to follow DWP process.
- Approval from HMT is being sought, RA has been a high-risk project and has been delivered to schedule so far.

- The team want to provide a longer bid window for suppliers and leave time for evaluations, this is to ensure there are high quality bids and evaluation outcomes. This will reduce some of the AME savings contingency there currently is, but based on current modelling assumptions will not impact the overall AME savings target.

Discussion:

- Noted that if productivity work isn't prioritised the targets for this year will be missed and if RA isn't prioritised the project won't be able to deliver in the future. UCPDE made a call to prioritise RA over productivity for this year.
- Estates have been supporting with providing sites to grow TCR operations and the project's onboarding process is 50 days faster than any other area in the department.
- TCR agents go through the GRS security vetting, which is delaying the number of agents landed, by September there were 2000 recruits but around 140 were still either going through pre-employment checks or couldn't start until later.
- By going bigger and faster (original 2000 FTE milestone was end July 24) the projects focus is on understanding how to deliver the greatest AME savings and build TCR first, after which the project can start to focus on insights and how these can be used to prevent incorrectness.

Paper 4 - Finance Deep Dive and Spring Volume Refresh – UC Senior Finance Partner

The Presenter highlighted the following key points:

- There is a small net movement for £3m from period 5 to 6, some of that is made through the pay award and the increase in salaries.
- Investment costs includes the programme management, MtUC and quarterly deep dives with the change portfolio.
- The programme costs net reduction is largely due to £12.28m in delays to start dates in TCR, UC Operations and Digital recruitment.
- EOY position is an underspend of 51m against a budget of 361m.
- HMT has approved drawdown of £171m for Move to UC, from Jan 23 to Dec 23, excluding depreciation, currently forecast £108m for this period (£91m excluding depreciation).
- The overall forecast costs for the total programme costs are £284m lower than the FBC Refresh.
- Ramp up of 'bigger and faster' Targeted Case Review recruitment to align with additional Autumn Statement 22 funding has increased the P7 forecast for the programme whole life cost.

Discussion:

- The SRO highlighted that the savings figure is not shifting in 23/24 with the assumption that will be bigger because delta to counterfactual is bigger.
- Investing more in AET will result in a higher savings figure.
- Savings will increase with the refresh and it is expected that savings will increase after the tally at the end of the year.

- Funding for redundancies for local authority employees aren't being requested as much as anticipated as councils are redeploying staff to other areas instead of making redundancies.

Decision 01: The Board approved the Spring Volume Refresh.

Paper 5 – Benefits Realisation Update – External Affairs, Strategic Design and Planning Director

The Presenter highlighted the following key points:

- There was a spike in UC unit costs in July this year reflecting the £1500 payment to staff and artificially inflated costs. This has now reduced and is tracking back as expected.
- TCR is included as unit costs for operational activity however outsourcing hasn't been worked through yet.
- Statistics published in May focussed on the level of fraud this year, focussing on insights into a small sample shows overpayments have increased, this needs to be seen in the wider context and a fix put in place.

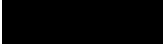
Discussion:

- Looking at the sample it appears at best fraud will be flat this year compared to last.
- The boards hypothesis is that the biggest cost of living issue the country has known for decades is manifesting into fraudulent claimant behaviour. It's not just a problem UC faces, it is being seen across all benefits. Without the cost of living issues levels of fraud would be dropping.
- As more benefits come to UC such as TC, UC will inherit fraud so fraud will increase in UC but overall it will reduce.
- Current areas of fraud which are being addressed include:
 - Living together; couples who live together but don't declare it to reduce their rent costs.
 - Undeclared capital; work to change legislation and get greater bulk access to bank details is underway.
 - Living abroad; there were some people stuck abroad due to covid, now people are disappearing from the sample when they are contacted but they still get counted in fraud, more work with the sample is needed.

AOB

- Representative for Reigate & Banstead District raised the following points:
 - A risk has been identified around customers creating a claim too early and missing out on TP.
 - It has been flagged that DfE employees are expecting large back payments, they are being encouraged to contact UC or their work coach to understand how their backpay will be treated and how it will affect their payments.
 - There are teams who are very good at identifying fraud and are keen to work with UC.

- UC Engagement and Planning Director responded to the following points:
 - A stakeholder engagement session will be held in a few weeks' time focussing on TP, Reigate & Banstead District will be invited.
 - The team are aware of the DfE backpay and will arrange a meeting with you to discuss this further.
- The SRO believes there are already plans to work together but will double check.

Contact:	
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