



Finance Report Programme Board May 2019 Period 2

UCPB250619 - BTL01

	Current Forecast			Previous Forecast	Forecast Movement	Budget	Variance to Budget
	Programme Funded	External Funded	Total				
Full Service Delivery	6,634	189,945	196,579	203,695	7,116	191,537	(5,042)
UC Product Development / Digital Delivery	73,289	0	73,289	73,646	357	73,625	337
Move to UC	12,693	0	12,693	12,368	(326)	12,259	(434)
Universal Credit Engagement Division	79,838	779	80,617	80,754	138	80,800	183
Rest of Programme	5,910	(2,961)	2,948	3,042	94	(5,344)	(8,292)
Central Funding / Challenge	0	0	0	0	0	0	0
Total Financial Costs (Inflation)	0	0	0	0	0	0	0
Total	178,363	187,763	366,126	373,505	7,379	352,877	(13,249)

2019/20 Key Points:-

- The total forecast has decreased by £7.4m in P2. This is due to a reduction of £7.0m in Operations staffing and £0.4m in Programme costs.
- There has been no change in Budgets this month.
- The forecast is £13.2m over budget. This is due to Operations (£5.4m) and Programme (£7.8m) efficiency challenge.
- HMT Drawdown approval has been received to cover until September 19.

Programme Funded Expenditure: Full Service Delivery

2019/20 Period 2

	2019/20			2019/20		2020/21		
	Period 1 Forecast £k	Period 2 Forecast £k	Movement £k	Budget £k	Budget Variance £k	Period 1 Forecast £k	Period 2 Forecast £k	Movement £k
Full Service Delivery								
Workforce Plan - Delivery Director	47	44	2	40	(4)	0	0	0
Workforce Plan - Delivery	5,369	5,255	114	5,614	359	0	0	0
Recharge - OPPD	275	275	(0)	275	(0)	239	239	0
Recharge - Counter Fraud and Compliance	813	813	(0)	813	(0)	819	819	0
Operations - Full Service L&D	0	0	0	0	0	23,226	23,226	0
Operations - Youth Obligation	0	0	0	0	0	63,879	63,879	0
Live Service Operational Costs	0	0	0	0	0	0	0	0
Continuous Improvement	250	250	0	250	0	0	0	0
Recharge - FES	0	0	0	0	0	0	0	0
Full Service - Estates	0	0	(0)	0	(0)	0	0	0
Estates Training	0	0	0	0	0	0	0	0
IPCC Telephony	(4)	(4)	0	0	4	0	0	0
Total	6,750	6,634	116	6,992	358	88,162	88,162	0

Forecast movement headlines

2019/20: £0.1m decrease due to revised staffing costs

2020/21: No material change

Programme Funded Expenditure: Product Development / Digital Delivery

2019/20 Period 2

	2019/20			2019/20		2020/21		
	Period 1 Forecast £k	Period 2 Forecast £k	Movement £k	Budget £k	Budget Variance £k	Period 1 Forecast £k	Period 2 Forecast £k	Movement £k
UC Product Development / Digital Delivery								
Workforce Plan - UCFS@Scale Core	15,735	15,735	(0)	15,735	(0)	2,325	2,325	0
Workforce Plan - UCFS@Scale Capitalised Staff	29,843	29,843	0	29,843	0	0	0	0
UCFS@Scale IT Infrastructure Investment	2,797	2,460	337	2,797	337	1,324	1,324	0
UCFS@Scale IT Infrastructure Recurrent	7,048	7,064	(17)	6,299	(765)	21,501	21,501	0
Digital Service Centre - IT Recurrent	0	0	0	748	748	748	748	0
Recharge – Digital Data Analytics	2,767	2,767	0	2,761	(6)	0	0	0
Recharge – Digital Dataworks Platform	4,033	4,033	0	4,039	6	0	0	0
Recharge - Household Verification	644	644	(0)	644	0	0	0	0
Live Service - IT Recurrent	1,284	1,262	22	1,273	11	0	0	0
Live Service - IT Investment	25	26	(1)	14	(12)	0	0	0
Depreciation (inc Caxton House)	9,470	9,454	16	9,472	19	10,523	10,523	0
Recurrent Core Team Costs	0	0	0	0	0	16,288	16,288	0
Security Staff / Non Staff Recurrent	0	0	0	0	0	2,140	2,140	0
Security Staff / Non Staff Investment	0	0	0	0	0	783	783	0
Security IT Recurrent	0	0	0	0	0	11,855	11,855	0
Security Provision	1	1	0	0	(1)	0	0	0
Total	73,646	73,289	357	73,625	337	67,486	67,486	0

Forecast movement headlines

2019/20: £0.4m decrease due to an IT contribution from Department for Communities – Northern Ireland

2020/21: No material change

Programme Funded Expenditure: Move to UC

2019/20 Period 2

	2019/20			2019/20		2020/21		
	Period 1 Forecast £k	Period 2 Forecast £k	Movement £k	Budget £k	Budget Variance £k	Period 1 Forecast £k	Period 2 Forecast £k	Movement £k
Move to UC								
Workforce Plan - Move to UC	1,020	1,061	(41)	976	(85)	1,075	1,135	(60)
Pension Credit Plus - Operations	0	0	0	0	0	1,113	1,113	0
Move to UC Estates	0	0	0	0	0	0	0	0
Recharge - Pension Credit Plus - Development	522	500	22	500	0	1,200	1,200	0
Recharge - Managed Migration Analysis	383	383	0	383	0	0	0	0
Recharge - Policy Group Ageing Society	158	158	(0)	158	(0)	186	186	0
Recharge - Debt	7,322	7,322	(0)	7,322	(0)	8,508	8,508	0
Recharge - OED Live Service	71	71	0	71	(0)	350	350	0
Recharge - OED Full Service	2,866	2,589	276	2,849	260	2,690	2,690	0
Recharge – Move to UC Harrogate Pilot Office	0	348	(348)	0	(348)	0	0	0
Recharge – Move to UC P&C	0	259	(259)	0	(259)	0	0	0
Move to UC Services Managed Migration Services	22	(0)	22	0	0	0	0	0
Move to UC Delivery Migration Delivery	4	2	2	0	(2)	0	0	0
Total	12,368	12,693	(326)	12,259	(434)	15,122	15,182	(60)

Forecast movement headlines

2019/20: (£0.3m) increase mainly due to the new Harrogate Pilot Office costs

2020/21: (£0.1m) increase due to revised staffing costs

Programme Funded Expenditure: Engagement Division

2019/20 Period 2

	2019/20			2019/20		2020/21		
	Period 1 Forecast £k	Period 2 Forecast £k	Movement £k	Budget £k	Budget Variance £k	Period 1 Forecast £k	Period 2 Forecast £k	Movement £k
Universal Credit Engagement Division								
Workforce Plan - Labour Market Strategic Design	1,007	977	30	1,018	40	958	911	47
Workforce Plan - Programme Planning and Assurance	2,598	2,642	(43)	2,648	7	2,237	2,252	(15)
Workforce Plan - Engagement Division	4,343	3,649	693	4,395	745	4,035	3,010	1,025
Workforce Plan - Help to Claim	89	788	(699)	0	(788)	0	694	(694)
Marketing	1,201	1,201	(1)	1,200	(1)	400	400	0
CAB Help to Claim	39,000	39,000	0	39,000	0	0	0	0
LA - Management and HB expertise	8,669	8,669	0	8,669	0	40,333	40,333	0
LA - Migration	9,626	9,626	0	9,626	(0)	10,058	10,058	0
LA - Exits	0	0	0	0	0	15,000	15,000	0
LA - New Burdens	2,927	2,927	(0)	2,927	(0)	0	0	0
LA - HB transition to UC	1,500	1,500	0	1,500	0	0	0	0
LA - Savings	(26,979)	(26,979)	0	(26,979)	0	(42,181)	(42,181)	0
Recharge - Housing Delivery Division	165	165	0	165	0	0	0	0
Recharge - Communications	572	520	52	572	52	521	521	0
Recharge - Independent Case Examiner	426	426	0	426	0	430	430	0
Recharge - Policy Group Internal Legal	480	480	0	480	0	480	480	0
Recharge - Central Analysis Services	533	314	219	553	239	316	316	0
Recharge - Policy Group Labour Market	320	320	(0)	320	(0)	446	446	0
Recharge - Policy Group UC Analysis	3,101	3,101	(0)	3,101	(0)	3,048	3,048	0
Recharge - Policy Group UC Policy	2,240	1,984	256	2,240	256	2,128	2,128	0
Recharge - Policy Group Decision Making & Appeals	731	731	(0)	731	(0)	731	731	0
Recharge - CMG Interface	1,500	1,500	0	1,500	0	0	0	0
Operations - Work Services and Appeals	17,111	17,108	3	17,114	6	805,482	805,482	0
Operations - Savings	(17,114)	(17,114)	0	(17,114)	(0)	(703,351)	(703,351)	0
Operations - Migrations	8,931	8,931	0	8,931	0	43,109	43,109	0
Operations - NISSA	0	0	0	0	0	5,237	5,237	0
Operations - Investment	17,000	17,000	0	17,000	0	0	0	0
UC Evaluation	0	372	(372)	0	(372)	0	0	0
Total	79,976	79,838	138	80,021	183	189,420	189,056	364

Forecast movement headlines

2019/20: £0.1m decrease due to a reduction in Policy & Analysis costs, offset by new research funding (UC evaluation)

2020/21: £0.4m decrease due to revised workforce plans

Programme Funded Expenditure: Rest of Programme

2019/20 Period 2

	2019/20			2019/20		2020/21		
	Period 1 Forecast £k	Period 2 Forecast £k	Movement £k	Budget £k	Budget Variance £k	Period 1 Forecast £k	Period 2 Forecast £k	Movement £k
Rest of Programme								
Workforce Plan - Directors Office	888	852	36	986	135	908	809	98
Recharge - Programme Finance	922	922	0	922	0	982	982	0
Recharge - One Service Finance	282	282	(0)	282	(0)	0	0	0
Recharge - Finance and Commercial	2,787	2,787	(0)	3,043	256	2,388	2,388	0
Recharge - Information, Exploitation & Security	256	256	0	0	(256)	0	0	0
Recharge - Contracted Employment Programme	240	240	0	240	0	240	240	0
Recharge - HR	390	314	76	390	76	390	390	0
Recharge - FED Analysts	156	156	0	156	0	157	157	0
Recharge - Welsh Language Unit	60	60	0	60	0	70	70	0
Recharge - Other	2	0	2	0	(0)	0	0	0
HMRC	0	0	0	0	0	40,756	40,756	0
Programme Director	19	37	(18)	0	(37)	0	0	0
Other Core Programme	0	1	(1)	0	(1)	0	0	0
External consultancy support costs	1	3	(1)	0	(3)	0	0	0
Total	6,003	5,910	94	6,080	171	45,892	45,793	98

Forecast movement headlines

2019/20: £0.1m decrease mainly due to a reduction in HR costs

2020/21: £0.1m decrease due to revised workforce plans

External Funded Expenditure:

2019/20 Period 2

	2019/20			2019/20		2020/21		
	Period 1 Forecast £k	Period 2 Forecast £k	Movement £k	Budget £k	Budget Variance £k	Period 1 Forecast £k	Period 2 Forecast £k	Movement £k
Rest of Programme - ext Budget Holder								
Policy Group Labour Market	779	779	0	779	0	0	0	0
Consequential Costs - Service Centres	197,542	197,542	0	197,542	0	0	0	0
Consequential Costs - Service Centres Supply Contingency	23,100	23,100	0	23,100	0	0	0	0
Consequential Costs - Work Services	431,646	424,646	7,000	419,246	(5,400)	0	0	0
Consequential Costs - Work Services Supply Contingency	9,200	9,200	0	9,200	0	0	0	0
Consequential Costs - Pensions	3,323	3,323	0	3,323	0	0	0	0
Consequential Costs - Youth Obligation	40,689	40,689	0	40,689	0	0	0	0
Consequential Costs - Medical Services	88,907	88,907	0	88,907	0	0	0	0
Consequential Savings - Service Centres	(130,273)	(130,273)	0	(130,273)	0	0	0	0
Consequential Savings - Work Services	(378,282)	(378,282)	0	(378,282)	0	0	0	0
Consequential Savings - Medical Services	(88,907)	(88,907)	0	(88,907)	0	0	0	0
Operations sub total	196,945	189,945	7,000	184,545	(5,400)	0	0	0
HMRC costs	25,479	25,479	0	25,487	8	0	0	0
HMRC Savings	(28,440)	(28,440)	0	(28,440)	(0)	(96,730)	(96,730)	0
HMRC sub total	(2,961)	(2,961)	0	(2,953)	8	(96,730)	(96,730)	0
Total External Budget Holders	194,763	187,763	7,000	182,371	(5,392)	(96,730)	(96,730)	0

Headlines

2019/20: £7.0m decrease due to revised workforce plans

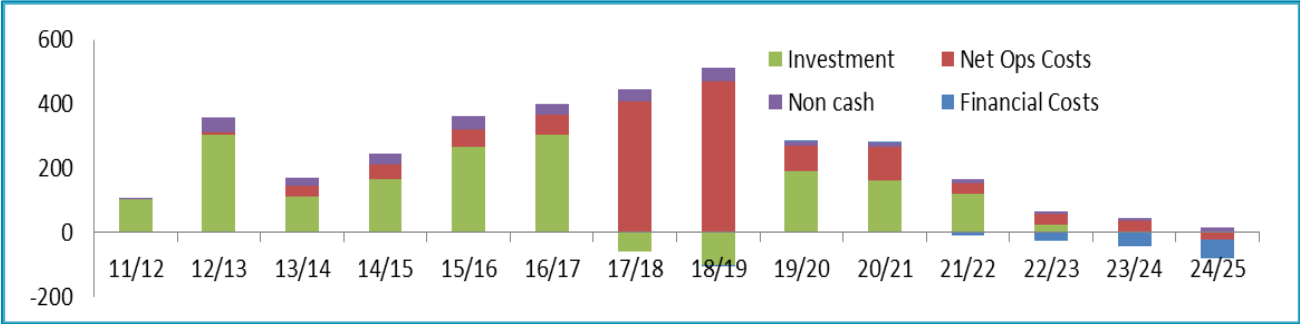
2020/21: No material change

Total Programme View

2019/20 Period 2

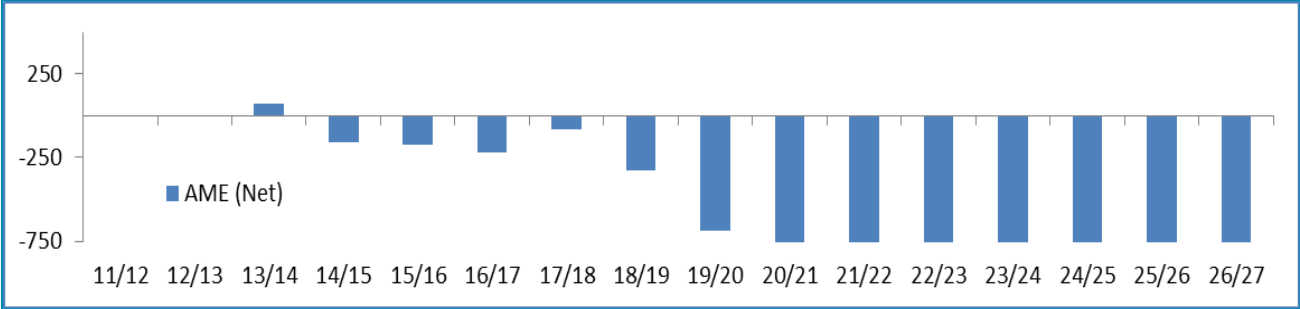
Costs and Benefits over life of Business Case

DEL Costs



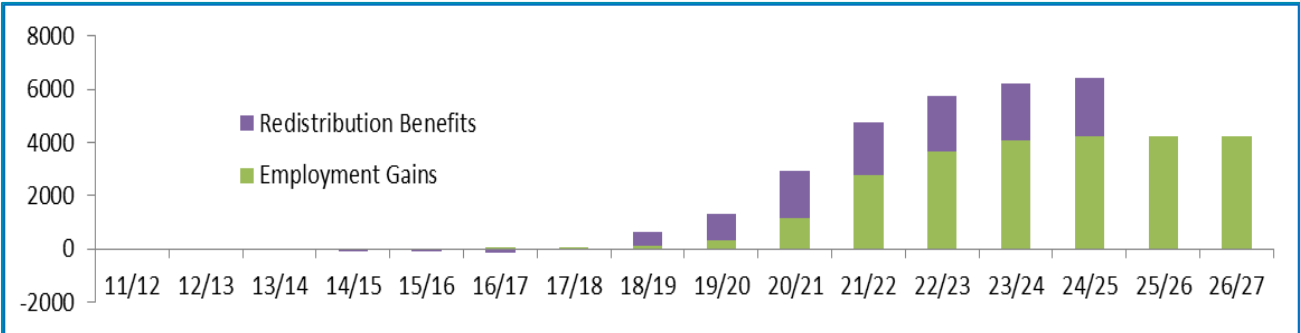
Lifetime Investment Costs	
	Baseline (FBC Final)
IT	574,891
Estates	8,891
Business Change	296,211
Implementation Effort	646,366
Digital Jobcentres	11,562
Claimant Commitment	20,811
HMRC	154,111
Migration Effort	277,281
Inflation	30,408
	2,020,534

AME Costs



Overall Benefits	
Net Benefits	£27.2bn
NPV	£20.3bn

Economic Benefits



These numbers are based on the Full Business Case approved by HMT in Spring 2018