

# Period 7 (October 2019) Finance Report

## Universal Credit Programme Board

UCPB121119 – BTL01

	Previous Forecast	Current Forecast	Forecast Movement	Budget	Variance to Budget	2020/21 Forecast
Full Service Delivery	207,369	207,275	94	196,475	(10,800)	56,335
UC Product Development	71,954	70,290	1,664	74,375	4,086	68,935
Move to UC	8,847	8,794	53	9,339	544	12,265
UC Engagement	78,592	78,170	422	79,617	1,447	285,099
Rest of Programme	3,811	3,778	33	(7,526)	(11,304)	(39,277)
Total Financial Costs (Inflation)	0	0	0	0	0	1,455
<b>Total UC Programme</b>	<b>370,573</b>	<b>368,307</b>	<b>2,266</b>	<b>352,280</b>	<b>(16,027)</b>	<b>384,810</b>

## 2019/20 Key Points:-

- In P7, the forecast reduced by £2.3m. Mainly due to £1.7m in lower Product Development staffing and IT costs, and £0.4m in UC Engagement, as a result of lower Child Maintenance charges and Programme staffing costs.
- There has been no budget change.
- The forecast is £16.0m over budget (last month £18.3m over)
- Within the Full Service delivery the element associated with Operations has not been refreshed, due to the timing of preparation of this report.

**2020/21** – no material movement in overall forecast.

# Universal Credit Programme - Full Service Delivery

## 2019/20 Period 7

	2019/20			2019/20		2020/21		
	Previous Forecast	Current Forecast	Forecast Movement	Budget	Variance to Budget	Previous Forecast	Current Forecast	Forecast Movement
	£k	£k	£k	£k	£k	£k	£k	£k
<b>Full Service Delivery</b>								
Workforce Plan - Delivery Director	21	26	(5)	40	14	0	0	0
Workforce Plan - Delivery	4,628	4,783	(154)	5,614	831	2,913	3,061	(149)
Workforce Plan - Labour Market Strategic Design	925	671	253	1,018	346	749	341	409
Recharge - OPPD	603	603	0	275	(327)	239	239	0
Recharge - Counter Fraud and Compliance	813	813	(0)	813	(0)	819	819	0
Recharge - OED Live Service	71	71	0	71	(0)	0	0	0
Recharge - OED Full Service	2,538	2,538	0	2,849	311	3,040	3,040	0
Recharge – Move to UC OED Team	335	335	0	0	(335)	0	0	0
Recharge – Move to UC P&C	310	310	(0)	0	(310)	0	0	0
Recharge - Digital Plus	1,000	1,000	0	1,000	(0)	1,000	1,000	0
Operations - Full Service L&D	0	0	0	0	0	4,308	4,308	0
Operations - Youth Obligation	0	0	0	0	0	43,277	43,277	0
Continuous Improvement	380	380	0	250	(130)	250	250	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	430,446	430,446	0	419,246	(11,200)	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 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
<b>Total</b>	<b>207,369</b>	<b>207,275</b>	<b>94</b>	<b>196,475</b>	<b>(10,800)</b>	<b>56,595</b>	<b>56,335</b>	<b>260</b>

### Forecast movement headlines

**2019/20:** No material movement

**2020/21:** £0.3m decrease due to revised Programme staffing costs.

	2019/20			2019/20		2020/21		
	Previous Forecast £k	Current Forecast £k	Forecast Movement £k	Budget £k	Variance to Budget £k	Previous Forecast £k	Current Forecast £k	Forecast Movement £k
<b>UC Product Development</b>								
Workforce Plan - UCFS@Scale Core	16,612	18,753	(2,140)	16,235	(2,518)	14,868	14,868	0
Workforce Plan - UCFS@Scale Capitalised Staff	29,198	26,214	2,984	30,093	3,879	30,253	30,253	0
UCFS@Scale IT Infrastructure Investment	1,327	354	973	2,797	2,443	2,443	2,443	0
UCFS@Scale IT Infrastructure Recurrent	6,967	7,167	(200)	6,299	(868)	8,085	8,085	0
Digital Service Centre - IT Recurrent	0	0	0	748	748	0	0	0
Recharge – Digital Data Analytics	2,835	2,835	0	2,761	(74)	0	0	0
Recharge – Digital Dataworks Platform	3,669	3,669	0	4,039	371	0	0	0
Recharge - Household Verification	644	644	0	644	0	679	679	0
Live Service - IT Recurrent	1,203	1,158	45	1,273	115	0	0	0
Live Service - IT Investment	31	28	3	14	(14)	0	0	0
Depreciation (inc Caxton House)	9,466	9,466	(0)	9,472	6	12,607	12,607	0
Security Staff / Non Staff Investment	49	49	0	0	(49)	0	0	0
Digital Service Centre - IT Investment	3	3	0	0	(3)	0	0	0
Security Provision	1	1	0	0	(1)	0	0	0
Security IT Investment	(49)	(49)	0	0	49	0	0	0
<b>Total</b>	<b>71,954</b>	<b>70,290</b>	<b>1,664</b>	<b>74,375</b>	<b>4,086</b>	<b>68,935</b>	<b>68,935</b>	<b>0</b>

### Forecast movement headlines

**2019/20:** £1.7m decrease primarily due to lower IT and staffing costs

**2020/21:** No material movement

	2019/20			2019/20		2020/21		
	Previous Forecast	Current Forecast	Forecast Movement	Budget	Variance to Budget	Previous Forecast	Current Forecast	Forecast Movement
	£k	£k	£k	£k	£k	£k	£k	£k
<b>Move to UC</b>								
Workforce Plan - Move to UC	965	911	54	976	64	998	798	200
Pension Credit Plus - Operations	0	0	0	0	0	1,200	1,200	0
Recharge - Pension Credit Plus - Development	0	0	0	500	500	1,450	1,450	0
Recharge - Managed Migration Analysis	0	0	0	383	383	123	123	0
Recharge - Policy Group Ageing Society	158	158	(0)	158	(0)	186	186	0
Recharge - Debt	(0)	(0)	0	0	0	8,508	8,508	0
Recharge – Move to UC Harrogate Pilot Office	356	356	(0)	0	(356)	0	0	0
Move to UC Services Managed Migration Services	37	37	(0)	0	(37)	0	0	0
Move to UC Delivery Migration Delivery	9	9	(0)	0	(9)	0	0	0
DMS Operations Staff (Digital Service)	7,322	7,322	0	7,322	0	0	0	0
<b>Total</b>	<b>8,847</b>	<b>8,794</b>	<b>53</b>	<b>9,339</b>	<b>544</b>	<b>12,465</b>	<b>12,265</b>	<b>200</b>

## Forecast movement headlines

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

**2020/21:** £0.2m decrease due to revised staffing costs

	2019/20			2019/20		2020/21		
	Previous Forecast £k	Current Forecast £k	Forecast Movement £k	Budget £k	Variance to Budget £k	Previous Forecast £k	Current Forecast £k	Forecast Movement £k
<b>UC Engagement</b>								
Workforce Plan - Programme Planning and Assurance	2,465	2,438	27	2,648	210	1,819	1,566	254
Workforce Plan - Engagement Division	3,579	3,495	83	4,230	734	2,831	2,579	251
Workforce Plan - Help to Claim	727	651	77	0	(651)	748	710	38
Marketing	4,240	4,241	(1)	1,200	(3,041)	6,000	6,000	0
CAB Help to Claim	38,500	38,500	0	39,000	500	0	39,000	(39,000)
LA - Management and HB expertise	7,983	7,983	0	8,669	686	40,333	1,333	39,000
LA - Migration	9,626	9,626	0	9,626	(0)	7,746	7,746	0
LA - Exits	0	0	0	0	0	0	0	0
LA - New Burdens	2,927	2,927	0	2,927	(0)	8,100	8,100	0
LA - HB transition to UC	1,500	1,500	0	1,500	0	0	0	0
LA - Savings	0	0	0	0	0	(36,245)	(36,245)	0
Recharge - Housing Delivery Division	165	165	(0)	165	(0)	0	165	(165)
Recharge - Communications	520	520	0	572	52	522	522	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	314	314	0	553	239	317	317	0

	2019/20			2019/20		2020/21		
	Previous Forecast £k	Current Forecast £k	Forecast Movement £k	Budget £k	Variance to Budget £k	Previous Forecast £k	Current Forecast £k	Forecast Movement £k
<b>UC Engagement continued</b>								
Recharge - Policy Group Labour Market	320	320	0	320	(0)	323	323	0
Recharge - Policy Group UC Analysis	3,101	3,101	(0)	3,101	(0)	3,156	3,156	0
Recharge - Policy Group UC Policy	1,984	1,984	(0)	2,240	256	2,004	2,004	0
Recharge - Policy Group Decision Making & Appeals	731	731	(0)	731	(0)	731	731	0
Recharge - CMG Interface	1,468	1,248	220	1,500	252	0	1,248	(1,248)
Operations - Work Services and Appeals	17,097	17,081	17	17,114	33	1,012,892	1,012,892	0
Operations - Savings	(17,114)	(17,114)	0	(17,114)	(0)	(779,321)	(779,321)	0
Operations - Migrations	8,931	8,931	0	8,931	0	10,852	10,852	0
Operations - NISSA	0	0	0	0	0	511	511	0
Operations - Investment	0	0	0	2,550	2,550	0	0	0
UC Evaluation	372	372	0	0	(372)	0	0	0
LA Savings	(26,979)	(26,979)	0	(26,979)	0	0	0	0
Policy Group Labour Market	779	779	0	779	0	0	0	0
Ops budget transfer	14,450	14,450	0	14,450	0	0	0	0
Consequential Costs - Medical Services	88,907	88,907	0	88,907	0	0	0	0
Consequential Savings - Medical Services	(88,907)	(88,907)	0	(88,907)	0	0	0	0
<b>Total</b>	<b>78,592</b>	<b>78,170</b>	<b>422</b>	<b>79,617</b>	<b>1,447</b>	<b>284,228</b>	<b>285,099</b>	<b>(871)</b>

### Forecast movement headlines

**2019/20:** £0.4m decrease in Child Maintenance interface and staffing costs

**2020/21:** (£0.9m) increase mainly due to revised Child Maintenance interface charges, offset by lower staffing costs.

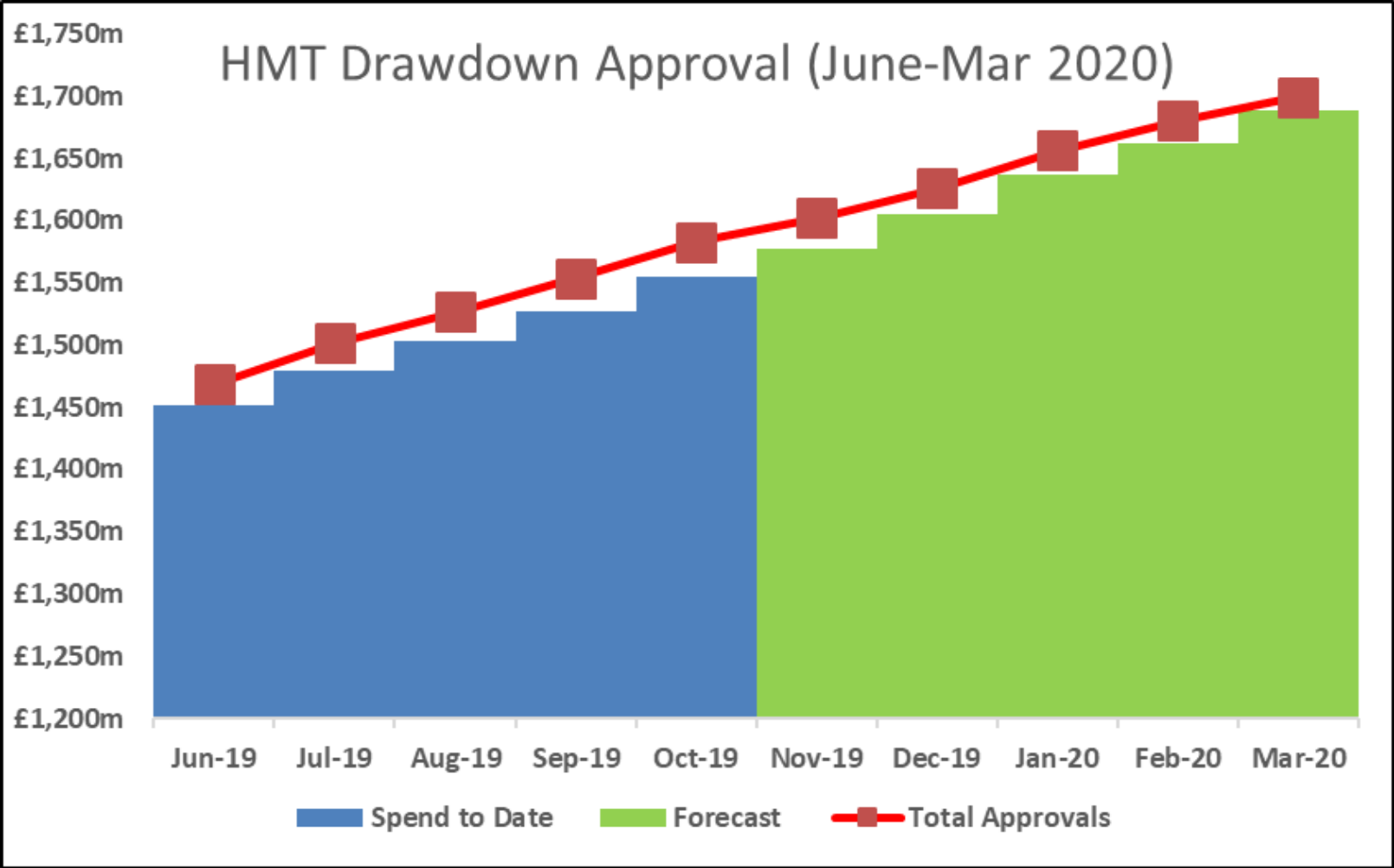
	2019/20			2019/20		2020/21		
	Previous Forecast	Current Forecast	Forecast Movement	Budget	Variance to Budget	Previous Forecast	Current Forecast	Forecast Movement
	£k	£k	£k	£k	£k	£k	£k	£k
<b>Rest of Programme</b>								
Workforce Plan - Directors Office	(0)	2	(2)	301	300	0	0	0
Workforce Plan - Programme Director	328	321	7	0	(321)	289	289	0
Recharge - Programme Finance	922	707	216	922	216	938	707	232
Recharge - One Service Finance	282	136	146	282	146	282	136	146
Recharge - Finance and Commercial	2,787	2,357	430	3,043	686	2,660	2,532	128
Recharge - Information, Exploitation & Security	256	256	(0)	0	(256)	256	256	0
Recharge - Contracted Employment Programme	240	240	0	240	0	240	240	0
Recharge - HR	314	314	0	390	76	0	0	0
Recharge - FED Analysts	156	156	0	156	0	157	157	0
Recharge - Welsh Language Unit	60	60	0	60	0	60	60	0
Verify	875	875	0	0	(875)	0	0	0
HMRC	0	762	(762)	0	(762)	53,076	53,076	0
Other Core Programme	1	1	(0)	0	(1)	0	0	0
External consultancy support costs	27	28	(1)	0	(28)	0	0	0
SRO Funding	685	685	0	685	0	0	0	0
HMRC costs	25,317	25,317	0	25,487	169	0	0	0
HMRC Savings	(28,440)	(28,440)	0	(28,440)	(0)	(96,730)	(96,730)	0
Central Funding / Challenge	0	0	0	(10,653)	(10,653)	0	0	0
<b>Total</b>	<b>3,811</b>	<b>3,778</b>	<b>33</b>	<b>(7,526)</b>	<b>(11,304)</b>	<b>(38,771)</b>	<b>(39,277)</b>	<b>506</b>

## Forecast movement headlines

**2019/20:** No material overall movement - reductions in Finance recharges offset by increases in HMRC charges

**2020/21:** £0.5m reduction in Finance recharges.





HMT drawdown approval given for £145.5m from Oct 19 to Mar 20.

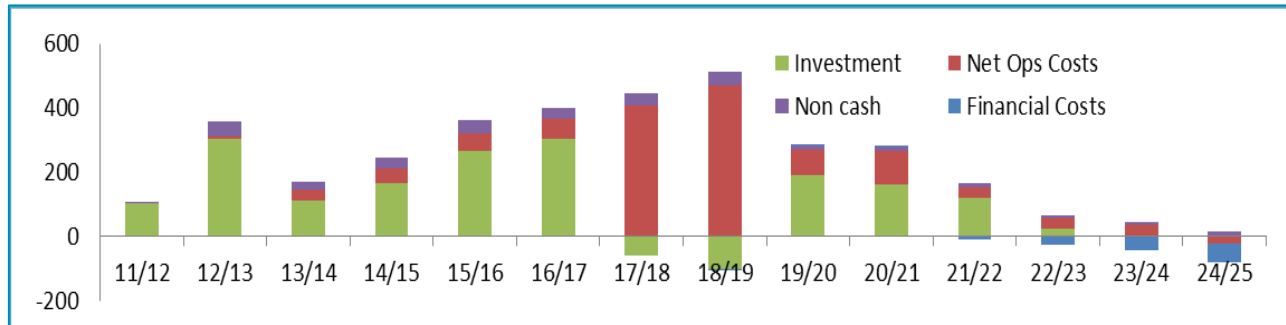
Actual expenditure is within the approved funding

# Total Programme View

2019/20 Period 7

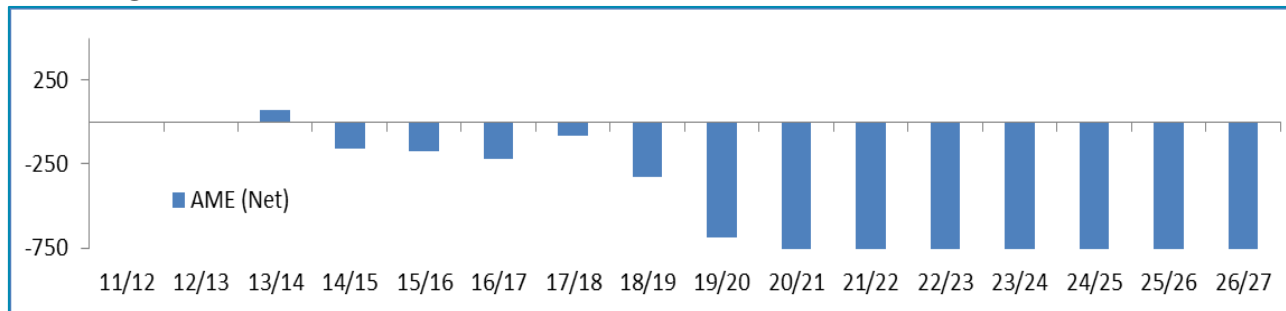
## Costs and Benefits over life of Business Case

### DEL Costs



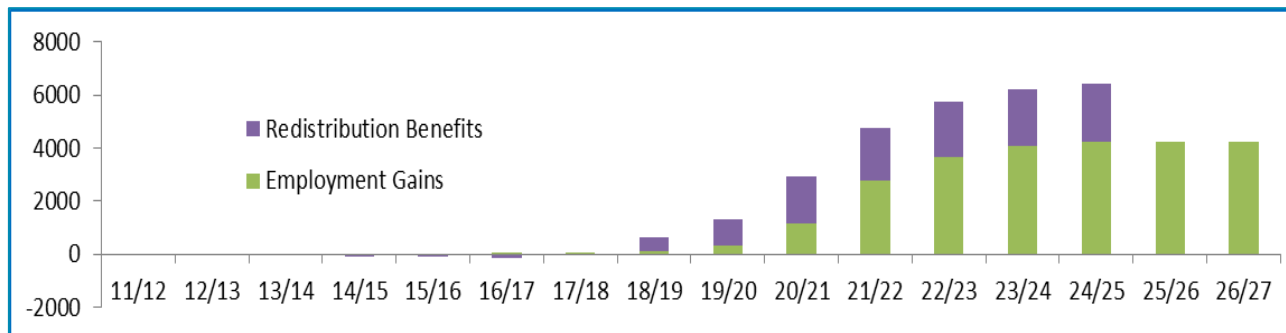
Lifetime Investment Costs	
	Baseline (FBC Final)
IT	574,891
Estates	8,891
Business Change	296,211
Implementation Effort	646,366
Digital Jobcentres	11,562
Claimant Commitment	20,811
HMRC	154,111
Migration Effort	277,281
Inflation	30,408
<b>Total</b>	<b>2,020,534</b>

### 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