



# Finance Report Programme Board

## December 2021/22 Period 9

### UCPB2701 – BTL01

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Total Programme Costs

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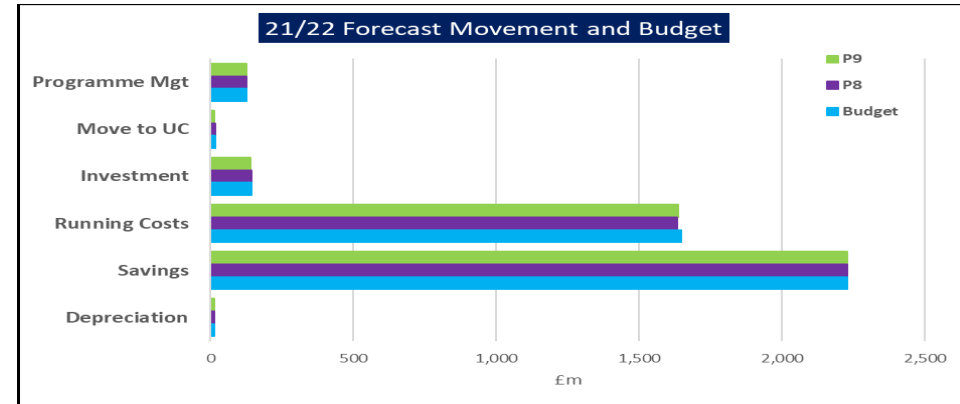
Investment, Running Costs and Savings

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Full Business Case View

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	Forecast 21/22			Budget 21/22	
	P9	P8	Var	Budget	Var
Programme Mgt	126	126	(0)	127	0
Move to UC	12	16	4	16	4
<b>Investment</b>	<b>139</b>	<b>142</b>	<b>4</b>	<b>143</b>	<b>4</b>
Running Costs	1,637	1,634	(3)	1,647	10
Savings	(2,229)	(2,229)	(0)	(2,229)	(0)
Depreciation	15	14	(0)	14	(0)
<b>Total</b>	<b>(439)</b>	<b>(439)</b>	<b>0</b>	<b>(425)</b>	<b>14</b>



### 21/22 Financial Narrative

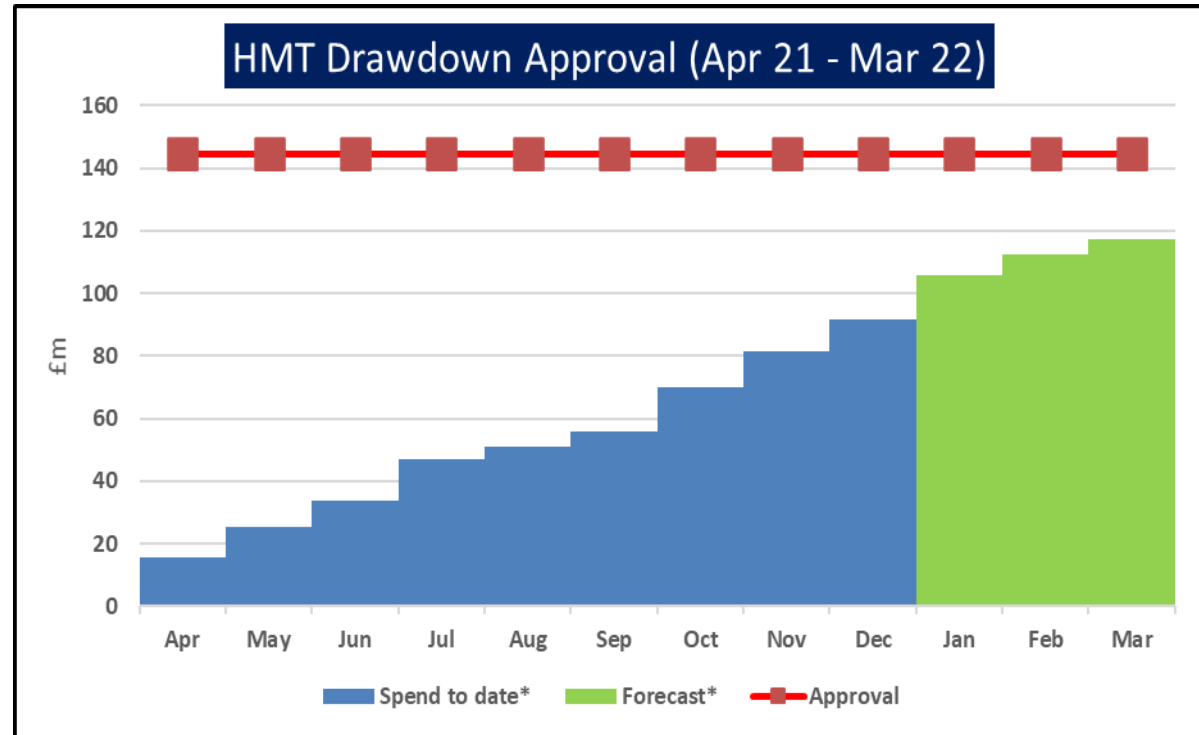
- No budget changes this month.
- The Marketing forecast has reduced by a further £3.5m due to a decrease in Partnership Support and Marketing spend due to changes to content following Ministerial decisions in the light of the taper change in the Budget. Although the planned approach was agreed by the previous Minister the revised campaign is now targeted for Q1/2 of the next financial year and has radically changed content, such as an absence of TV.
- Operations running costs have increased by £3m for outsourced telephony and temporary to permanent staff movements.
- The latest forecast represents an underspend of £14m against budget.

### Drawdown Approval Narrative

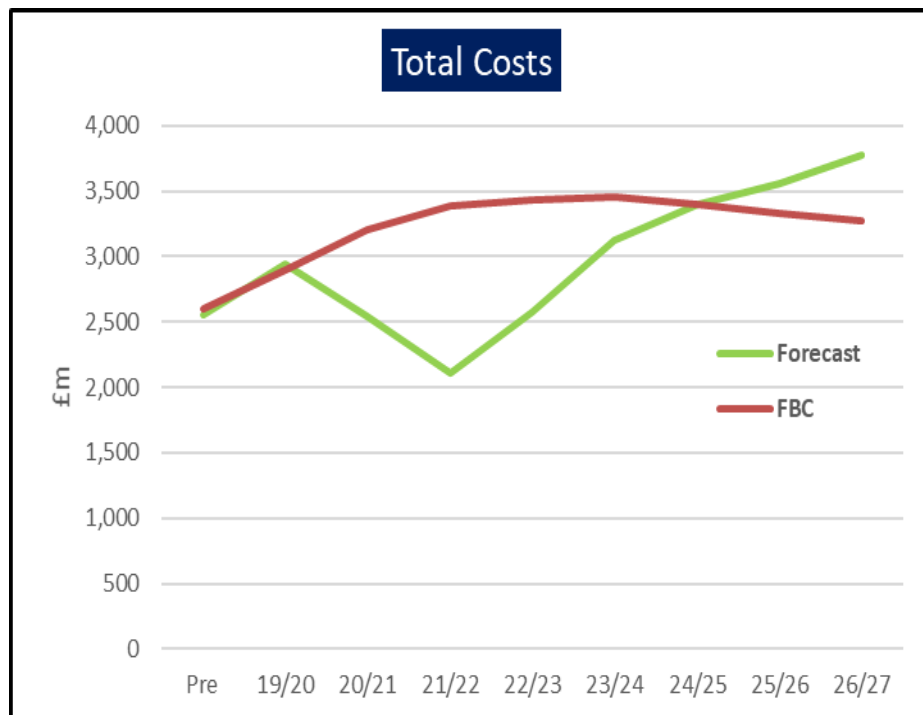
Approval of the Programme’s £144.5m 21/22 drawdown was granted to March 22.

This drawdown excludes Operations Running Costs, Depreciation and Move to UC.

Spend is within the HMT control total of £144.5m.



\* Forecast and Spend to date only includes items included in the HMT drawdown approval



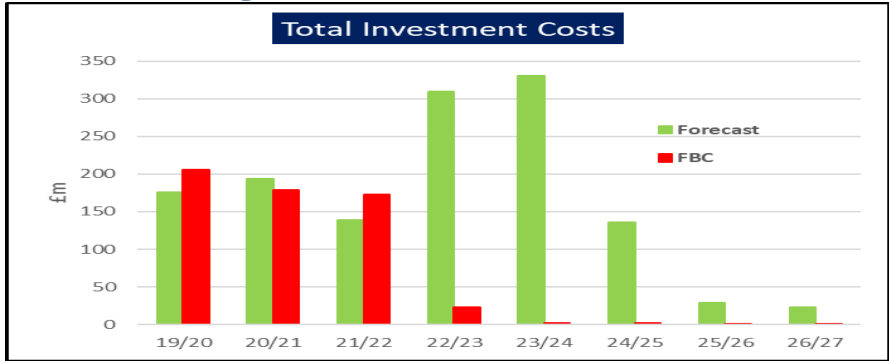
### Total Programme Costs Headlines

- Overall Forecast costs are £0.5bn higher than the 2018 FBC. This is due to the revised Move to UC Plan and the subsequent increased Programme costs. In addition, significantly more Policy Changes have been delivered than originally planned at the expense of some of the planned efficiency development. 20/21 and 21/22 include COVID-19 impacted volumes and consequently higher Operational Running Costs & Savings. A revised 20/21 & 21/22 Savings methodology was agreed at the March Programme Board.
- For years 22/23 onwards volumes have not been updated and represent Autumn 19 pre COVID-19 position. All future years will be updated following SR Spring 21 volume refresh sign-off.

	Total Costs £m										FBC
	Pre	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total	
Programme Mgt	1,432	146	172	126	144	139	58	24	22	2,263	1,771
Move to UC	54	30	22	12	165	192	79	5	1	561	291
<b>Investment</b>	<b>1,486</b>	<b>176</b>	<b>193</b>	<b>139</b>	<b>309</b>	<b>331</b>	<b>136</b>	<b>29</b>	<b>23</b>	<b>2,823</b>	<b>2,062</b>
Running Costs	1,645	864	1,396	1,637	1,049	1,173	1,208	1,216	1,236	11,424	10,655
Savings	(842)	(670)	(1,996)	(2,229)	(911)	(981)	(1,095)	(1,110)	(1,064)	(10,898)	(9,806)
Depreciation	266	13	13	15	24	23	23	23	20	420	357
<b>Total</b>	<b>2,554</b>	<b>384</b>	<b>(394)</b>	<b>(439)</b>	<b>472</b>	<b>547</b>	<b>272</b>	<b>159</b>	<b>215</b>	<b>3,769</b>	<b>3,268</b>

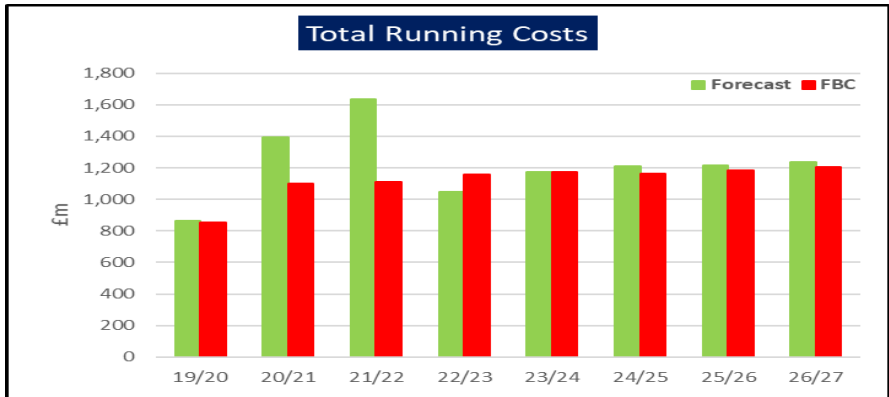
# Universal Credit Programme – Investment, Running Costs and Savings

2021/22 Period 9



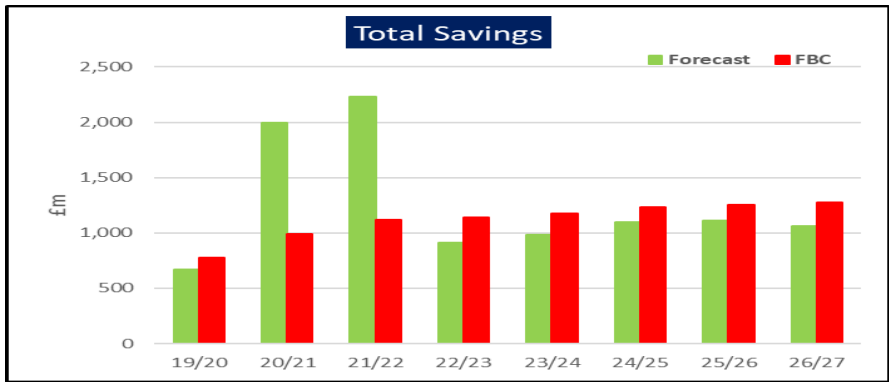
**Investment Costs Headlines**

Increase in investment since the Full Business Case due to increased cost of the 'Move to Universal Credit' migration process and maintaining the full programme infrastructure up to 2024-25 instead of winding it down from 2022.



**Running Costs Headlines**

Increase in 20/21 and 21/22 reflect current Winter 20 volumes. As a result of Covid-19 volumes have significantly increased driving an increase in Operational Service Delivery costs. From April 2022 to the end of the Programme forecasts remain based on Autumn 19 volumes. Future years will be updated following the Spring 2021 volume refresh sign-off.

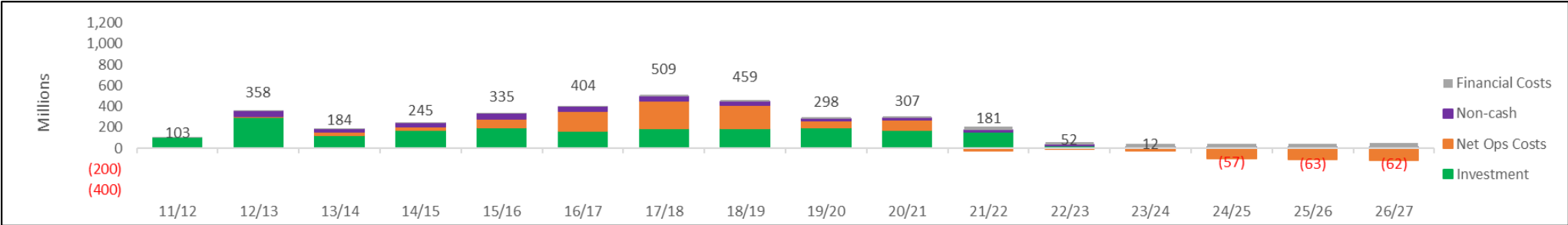


**Savings Headlines**

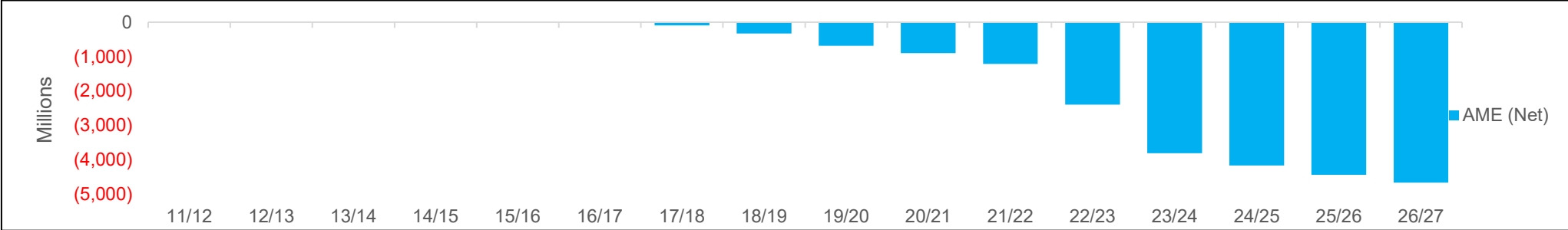
Increase in 20/21 and 21/22 benefits following changes to the methodology and updated Winter 20 volumes. These new volumes include the impact of Covid-19 and a significant increase in UC caseload and UC benefits. Subsequent years are still based on Autumn 19 volumes. Future years will be updated following the Spring 21 volume refresh sign-off.



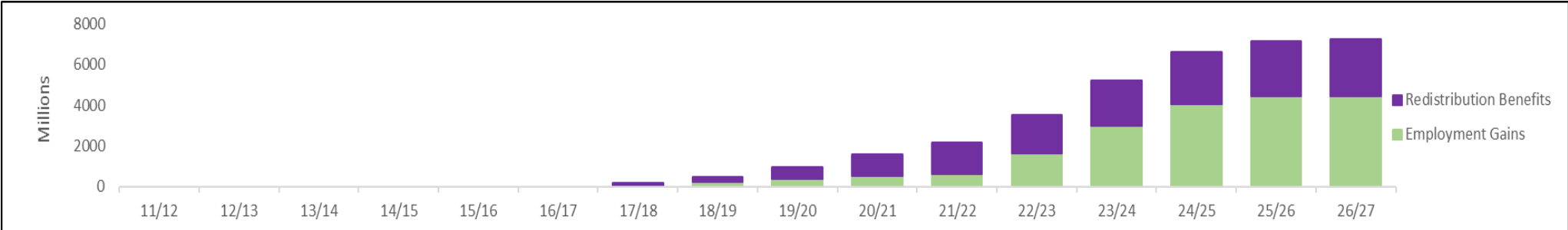
## DEL Costs



## AME Costs and Savings



## Economic Benefits



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

