

Finance Report Programme Board

Period 12 March 2021/22

UCPB2604 – BTL01

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Investment, Running Costs and Savings

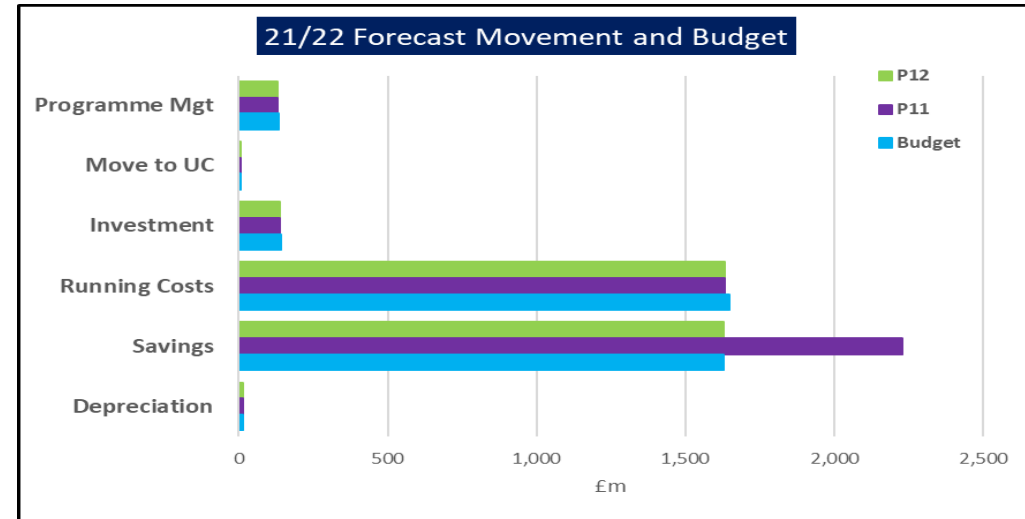
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Full Business Case View

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	Forecast 21/22			Budget 21/22	
	P12	P11	Var	Budget	Var
Programme Mgt	130	130	(0)	136	6
Move to UC	7	7	0	7	(0)
Investment	137	137	(0)	143	6
Running Costs	1,631	1,631	(0)	1,647	16
Savings	(1,631)	(2,229)	(599)	(1,631)	(0)
Depreciation	15	15	(0)	14	(1)
Total	153	(446)	(599)	173	20

Re-categorisation changes made between Programme and Move to UC

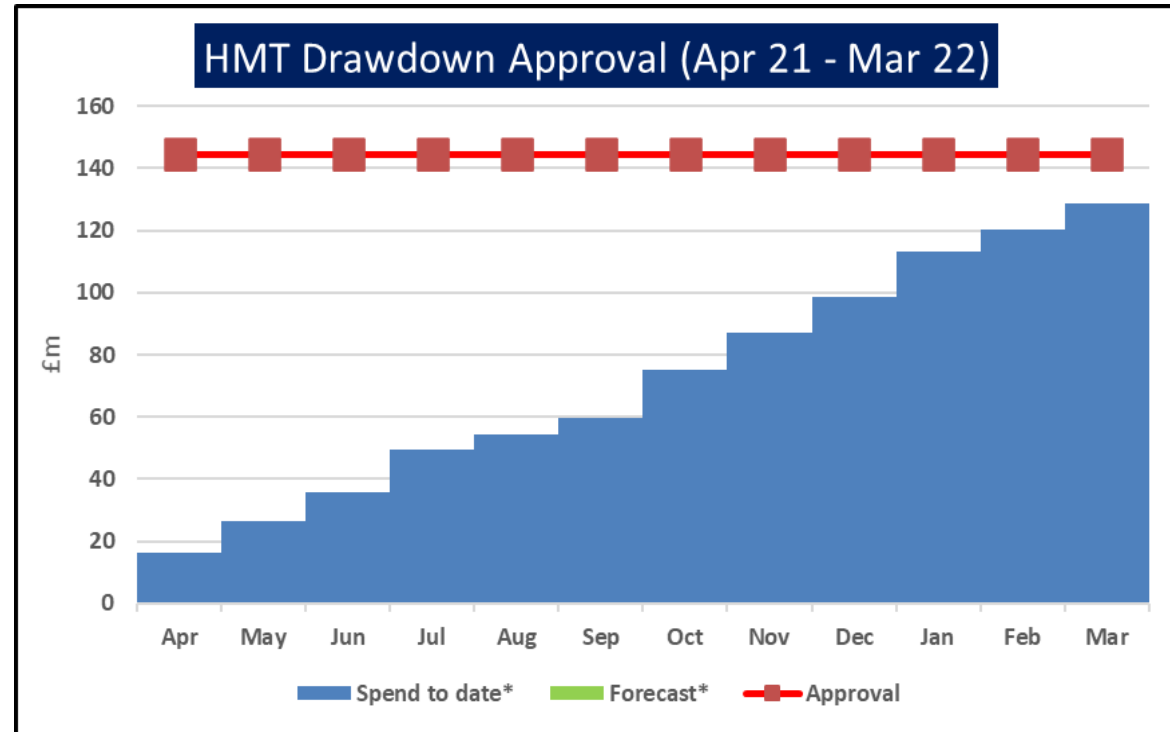


21/22 Financial Narrative

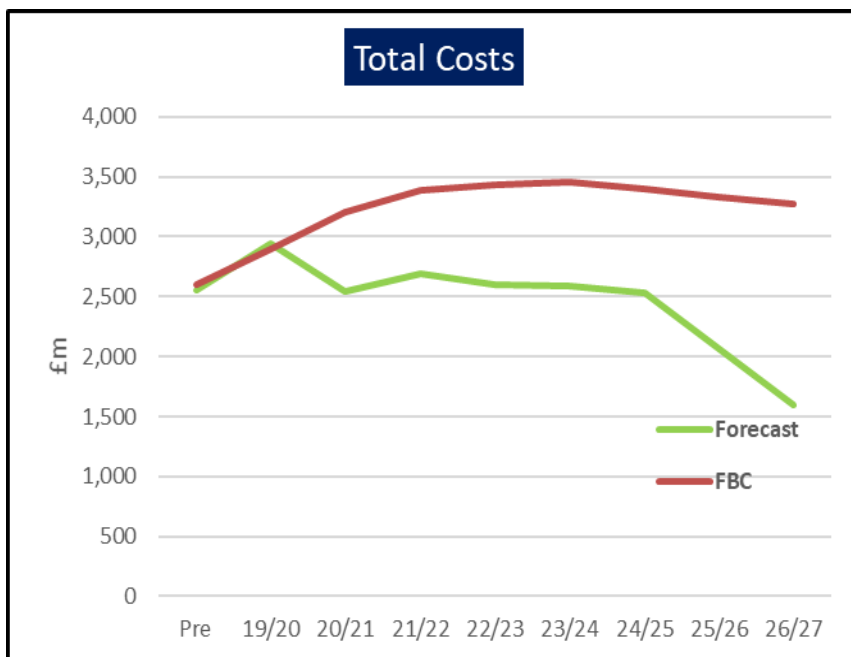
- Operational Savings – updated to reflect actual caseload
- The outturn represents an overall underspend of £20m against budget.

Drawdown Approval Narrative

- Approval of £144.5m to cover April '21 to March '22. This is aligned to the SR approval, and does not include Move to UC, depreciation, or Operations Service Delivery running costs. These will be covered under separate governance. The Programme is within the HMT control total.
- Approval of £182.6m excluding depreciation and £198.8m including depreciation has been given to the Programme by HMT for the 22/23 drawdown, subject to regular HMT engagement and approval points.



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

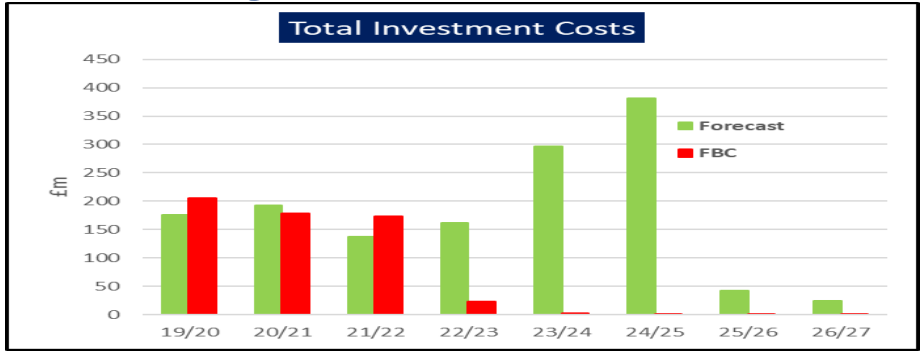


Total Programme Costs Headlines

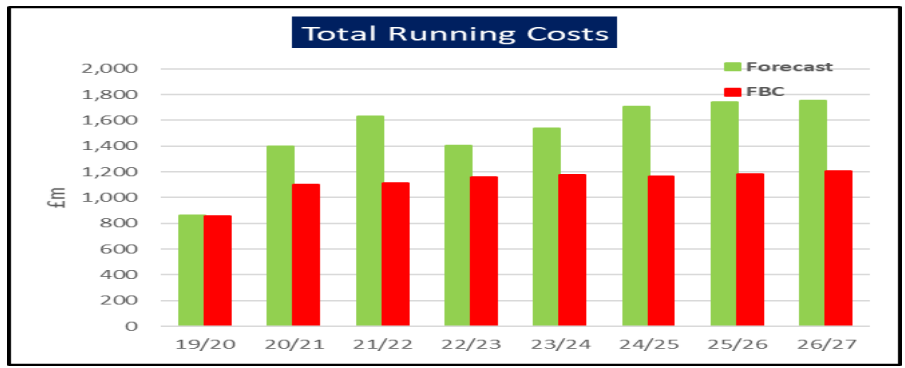
- Overall Forecast costs are £1.7bn lower than the 2018 FBC. This is due to the implementation of the revised Winter Planning 21 volumes, aligned to the SR21 submission, which has impacted the Move to UC investment costs, operational running costs, and operational savings.
- The savings methodology was revised initially in March'21 but had only previously been reported against 20/21 and 21/22 Financial years due to the economic uncertainty caused by Covid-19. Programme Board agreed in March'22 that a full refresh through the remaining life of the Programme aligned to Winter 21 volume refresh. As a consequence of the change to savings methodology the forecast cannot be compared to the original FBC.

	Total Costs £m										FBC
	Pre	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total	
Programme Mgt	1,441	147	171	130	148	197	213	38	24	2,509	1,771
Move to UC	45	30	22	7	14	100	169	4	1	391	291
Investment	1,486	176	193	137	162	297	381	42	24	2,899	2,062
Running Costs	1,645	864	1,396	1,631	1,405	1,540	1,704	1,742	1,756	13,683	10,655
Savings	(842)	(670)	(1,996)	(1,631)	(1,683)	(1,864)	(2,163)	(2,272)	(2,278)	(15,400)	(9,806)
Depreciation	266	13	13	15	16	19	21	24	22	409	357
Total	2,554	384	(394)	153	(100)	(9)	(56)	(465)	(476)	1,592	3,268

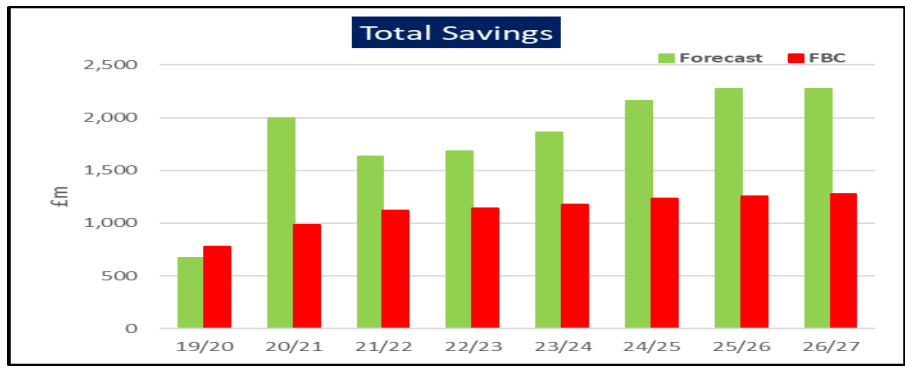
Re-categorisation changes made between Programme and Move to UC



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.

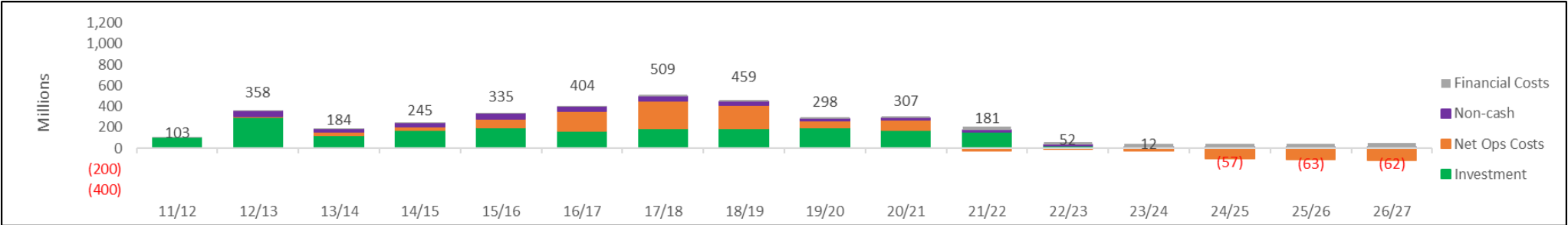


Running Costs Headlines
 Increase in 20/21 and 21/22 reflect current Winter 20 volumes. As a result of Covid-19 volumes have significantly increased driving an increase in Operational Service Delivery costs. From April 2022 to the end of the Programme forecasts have been updated with Winter Planning 21 volumes.

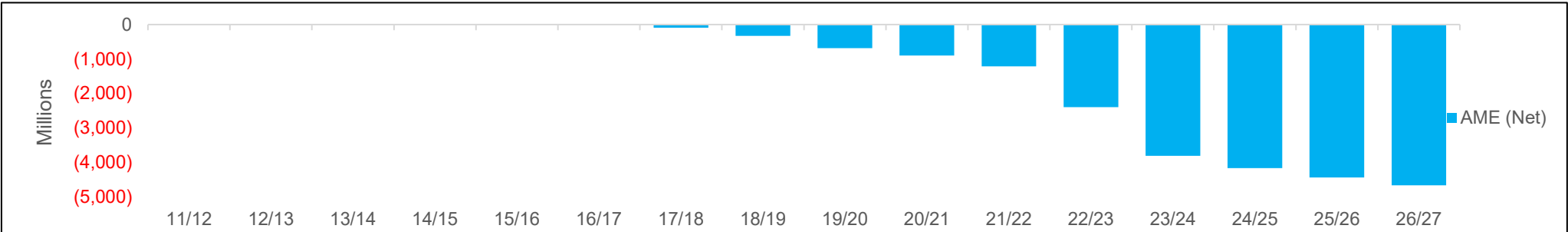


Savings Headlines
 Increase from 20/21 and 21/22 benefits following changes to the methodology and updated Winter 20 volumes. These new volumes include the impact of Covid-19 and a significant increase in UC caseload and UC benefits. From April 22 onwards savings updated to reflect Winter Planning 21 volumes.

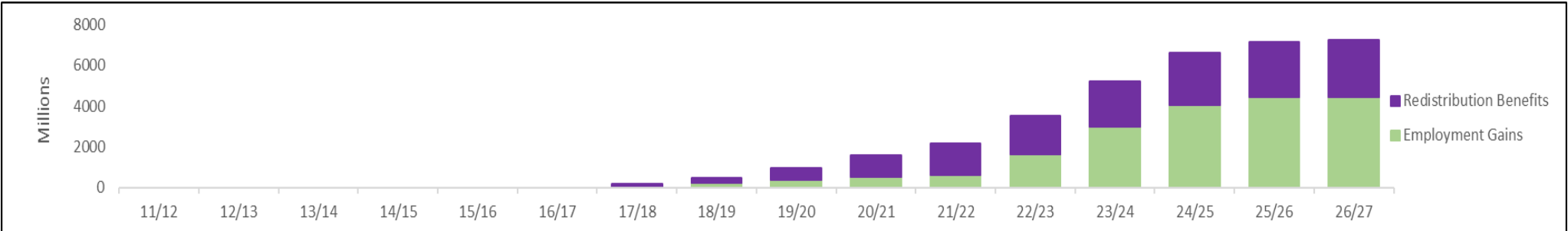
DEL Costs



AME Costs and Savings



Economic Benefits



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

