

Finance Report Programme Board

Period 10 (January 2021/22)

UCPB1501 - BTL01

Slide

Finance Position 21/22

3

Drawdown Approval

4

Total Programme Costs

5

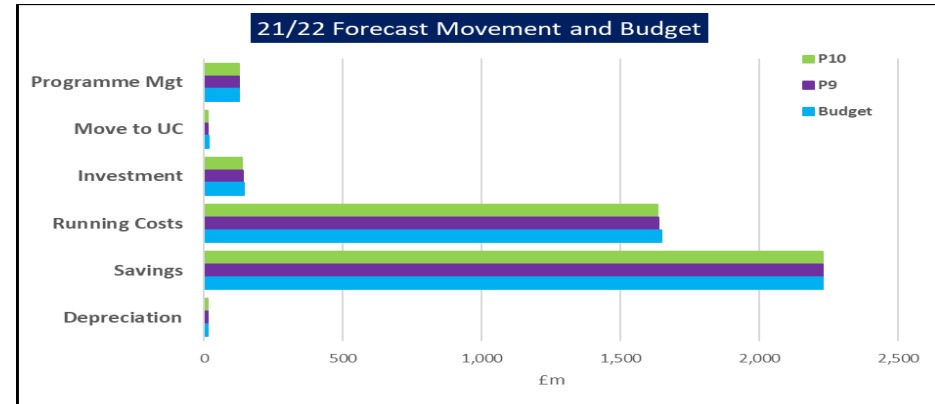
Investment, Running Costs and Savings

6

Full Business Case View

7

	Forecast 21/22			Budget 21/22	
	P10	P9	Var	Budget	Var
Programme Mgt	126	126	1	127	1
Move to UC	12	12	0	16	4
Investment	138	139	1	143	5
Running Costs	1,633	1,637	4	1,647	14
Savings	(2,229)	(2,229)	0	(2,229)	(0)
Depreciation	15	15	(0)	14	(0)
Total	(443)	(439)	5	(425)	18



21/22 Financial Narrative

- No budget changes this month.
- Investment drop of £0.6m due to review of expected recruitment.
- Running costs reduced by £4m in Operations Service Delivery due to higher attrition rates on temporary staff.
- The latest forecast represents an underspend of £18m against budget.

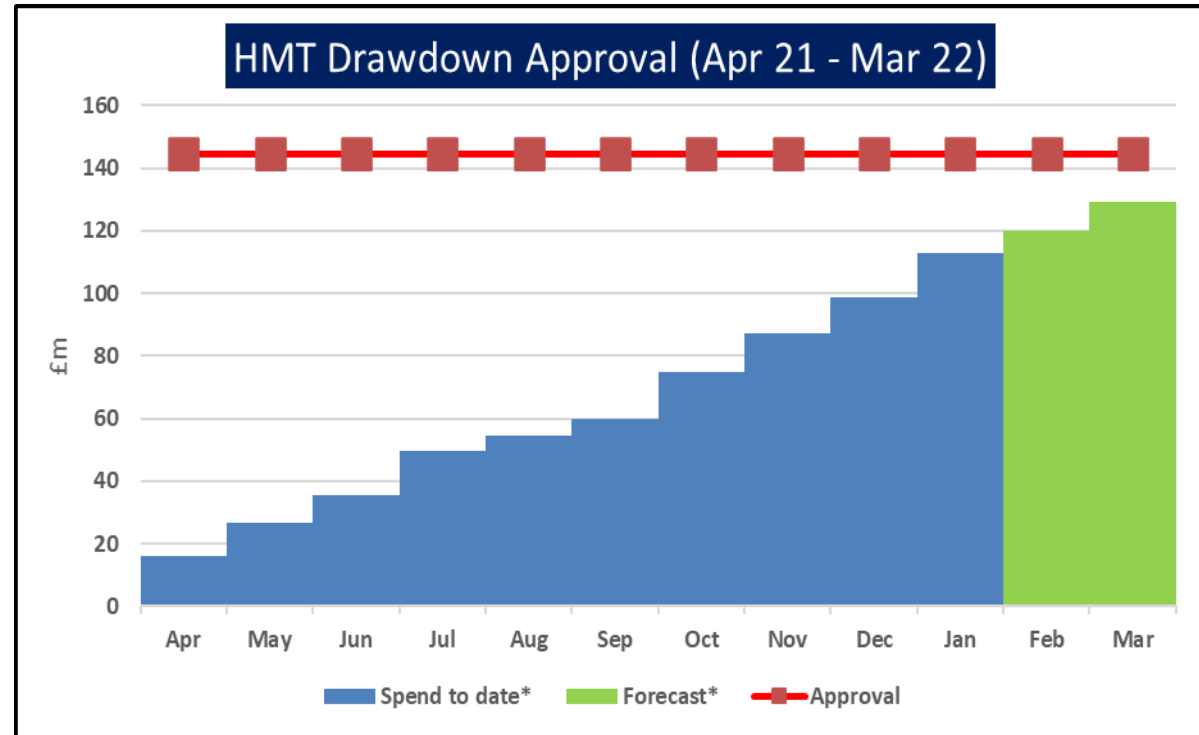
Drawdown Approval Narrative

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

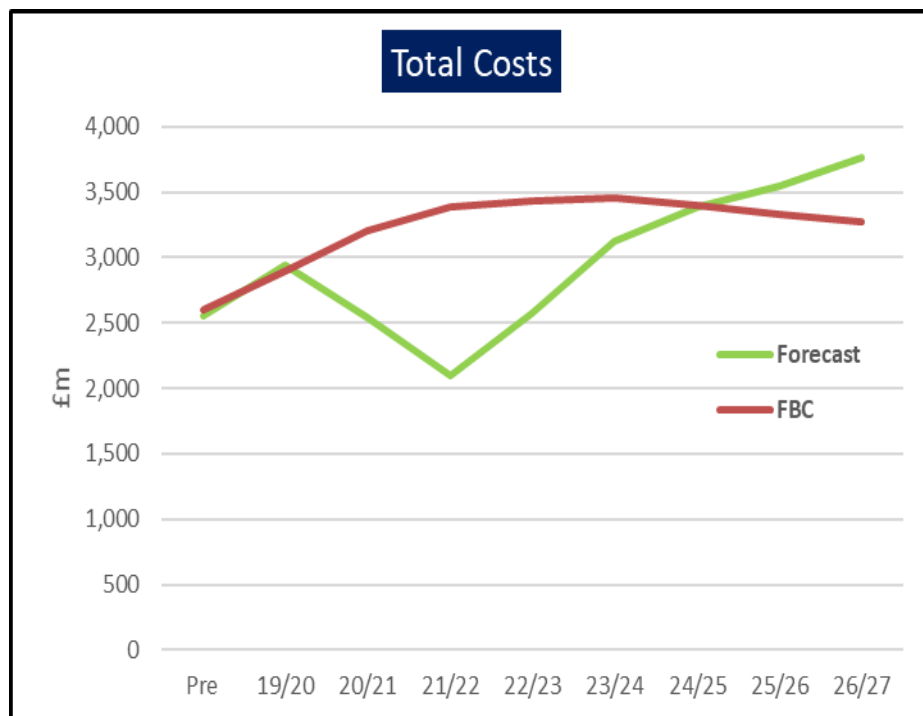
This drawdown excludes Operations Running Costs, Depreciation and Move to UC.

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

The Programme are engaging with HMT on the 22/23 drawdown week commencing 7th Feb.



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



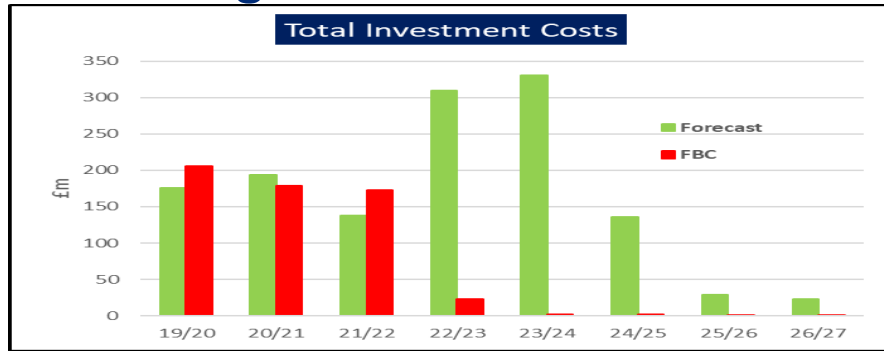
Total Programme Costs Headlines

- 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 final SR 21 volume refresh and allocations 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	2,262	1,771
Move to UC	54	30	22	12	165	192	79	5	1	560	291
Investment	1,486	176	193	138	309	331	136	29	23	2,822	2,062
Running Costs	1,645	864	1,396	1,633	1,049	1,173	1,208	1,216	1,236	11,421	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
Total	2,554	384	(394)	(443)	472	547	272	159	215	3,765	3,268

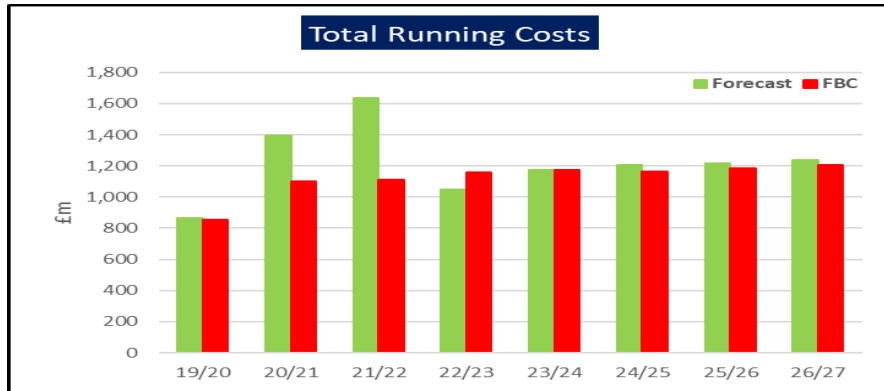
Universal Credit Programme – Investment, Running Costs and Savings

2021/22 Period 10



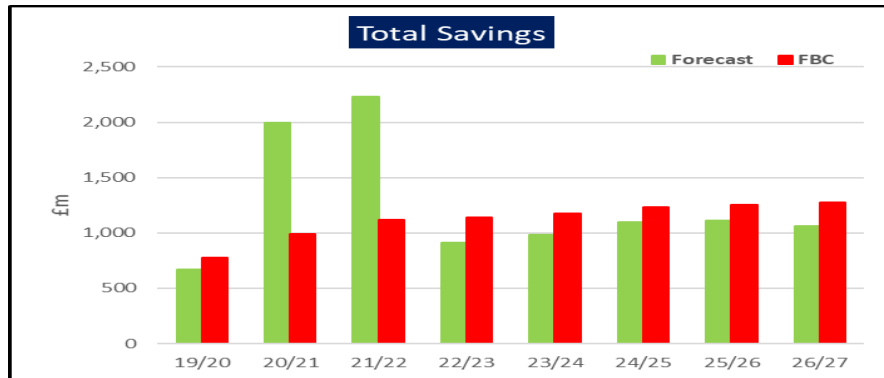
Investment Costs Headlines

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.

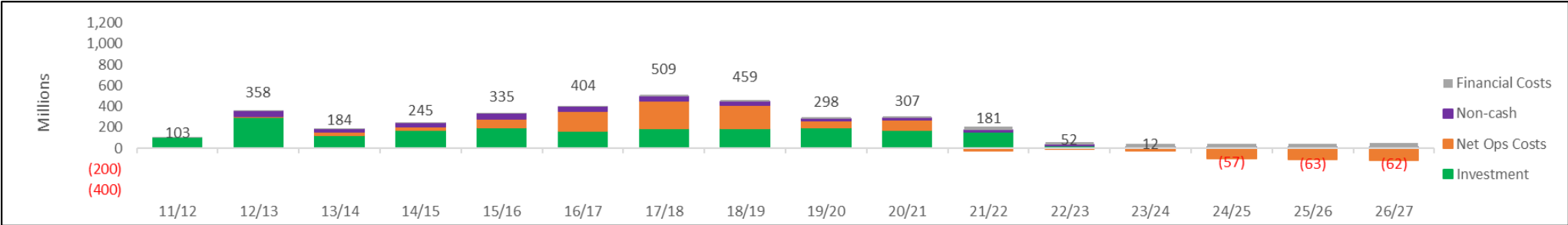


Savings Headlines

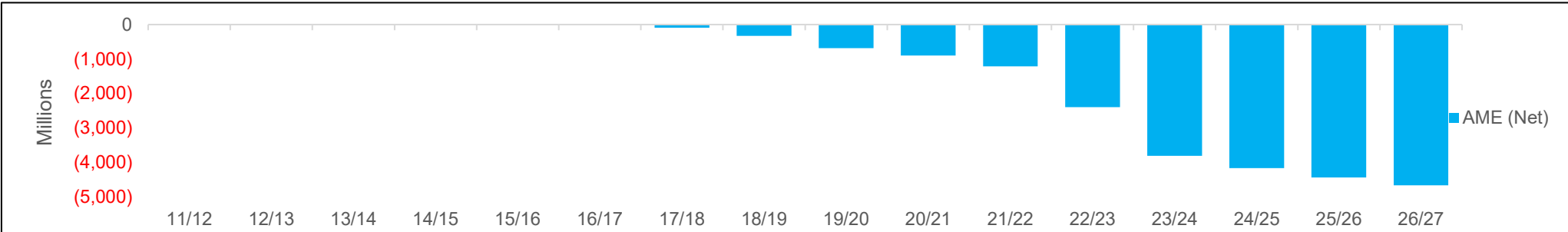
Increase in 20/21 and 21/22 benefits following changes to the methodology and updated Winter 20 volumes. These new volumes include the impact of Covid-19 and a significant increase in UC caseload and UC benefits. Subsequent years are still based on Autumn 19 volumes. Future years will be updated following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



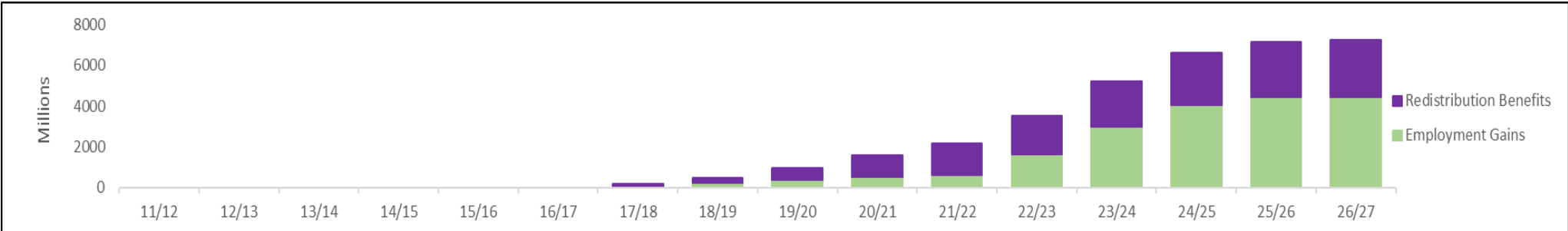
DEL Costs



AME Costs and Savings



Economic Benefits



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

