

# Finance Report Programme Board

## Period 11 February 2021/22

UCPB1503 – BTL02

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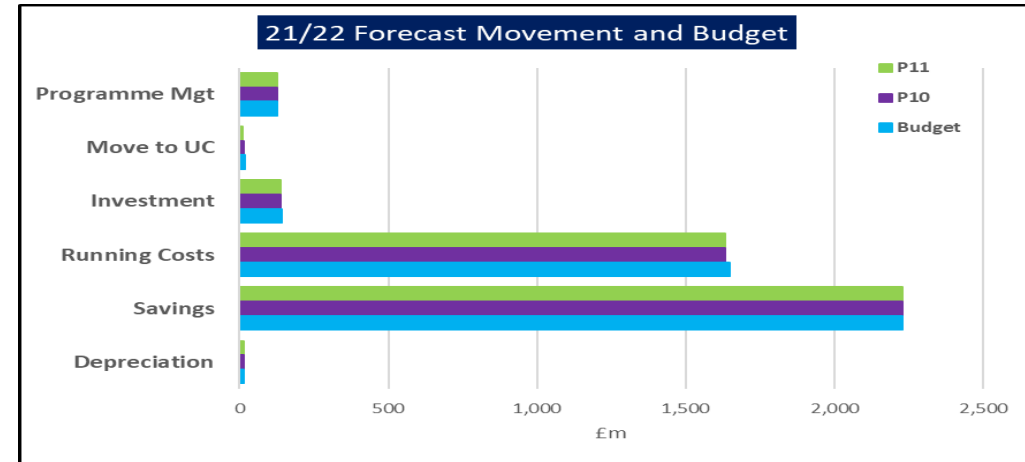
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Full Business Case View

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|                   | Forecast 21/22 |              |          | Budget 21/22 |           |
|-------------------|----------------|--------------|----------|--------------|-----------|
|                   | P11            | P10          | Var      | Budget       | Var       |
| Programme Mgt     | 126            | 126          | 0        | 127          | 1         |
| Move to UC        | 11             | 12           | 1        | 16           | 5         |
| <b>Investment</b> | <b>137</b>     | <b>138</b>   | <b>1</b> | <b>143</b>   | <b>6</b>  |
| Running Costs     | 1,631          | 1,633        | 2        | 1,647        | 16        |
| Savings           | (2,229)        | (2,229)      | 0        | (2,229)      | (0)       |
| Depreciation      | 15             | 15           | (0)      | 14           | (0)       |
| <b>Total</b>      | <b>(446)</b>   | <b>(443)</b> | <b>3</b> | <b>(425)</b> | <b>21</b> |



### 21/22 Financial Narrative

- Reduction of £0.8 in Move to UC - Marketing due to a review of radio / digital audio activity.
- Running costs reduced by £2.2m in Operations Service Delivery due to decrease in overtime and TDA.
- The latest forecast represents an underspend of £21m against budget.

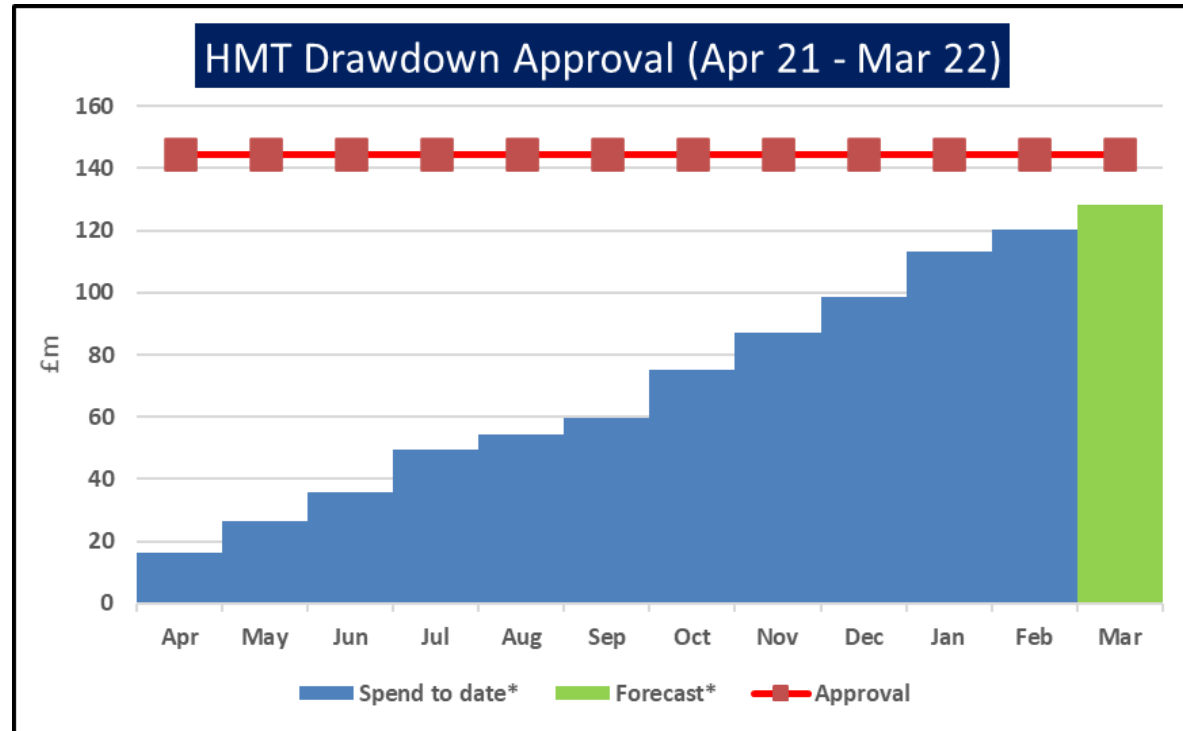
## Drawdown Approval Narrative

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

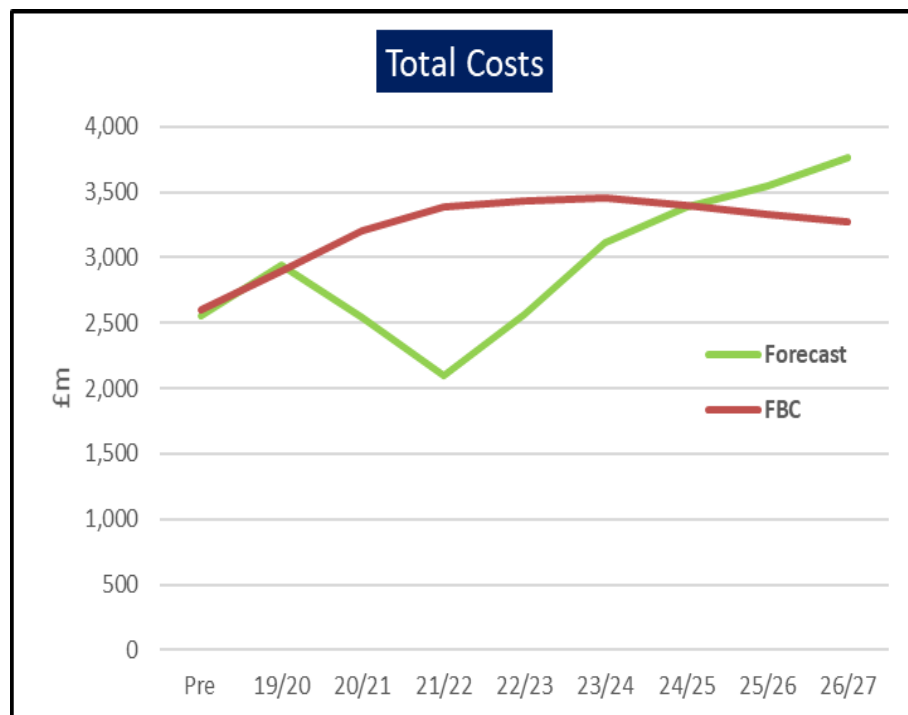
This drawdown excludes Operations Running Costs, Depreciation and Move to UC.

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

The Programme are engaging with HMT on the 22/23 drawdown.



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



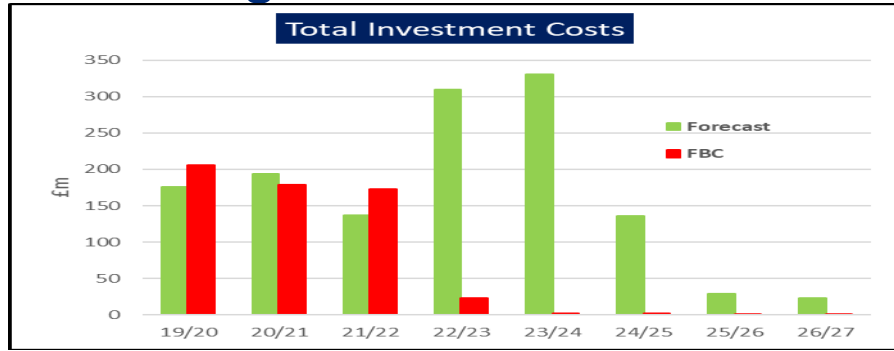
### Total Programme Costs Headlines

- 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. There will be a separate paper on 15<sup>th</sup> March to present Programme Board with the SR21 Allocation and Winter 21 volume refresh. If ratified this will be uploaded on to our Finance systems in time for P12 Programme Board.

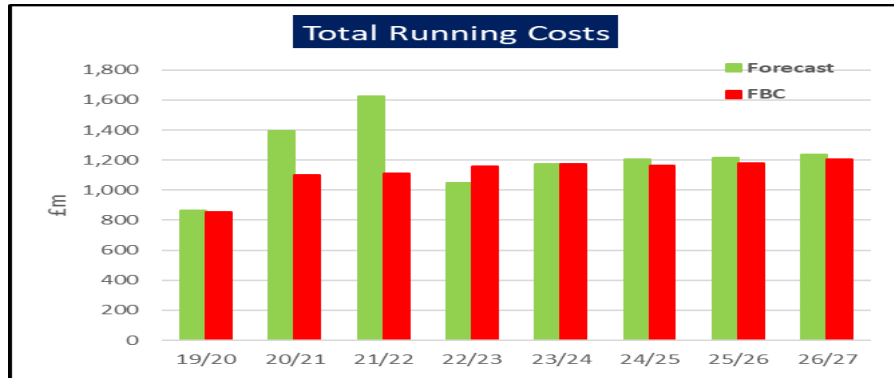
|                   | Total Costs £m |            |              |              |            |            |            |            |            |              | FBC          |
|-------------------|----------------|------------|--------------|--------------|------------|------------|------------|------------|------------|--------------|--------------|
|                   | 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           | 11           | 165        | 192        | 79         | 5          | 1          | 560          | 291          |
| <b>Investment</b> | <b>1,486</b>   | <b>176</b> | <b>193</b>   | <b>137</b>   | <b>309</b> | <b>331</b> | <b>136</b> | <b>29</b>  | <b>23</b>  | <b>2,822</b> | <b>2,062</b> |
| Running Costs     | 1,645          | 864        | 1,396        | 1,631        | 1,049      | 1,173      | 1,208      | 1,216      | 1,236      | 11,418       | 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>(446)</b> | <b>472</b> | <b>547</b> | <b>272</b> | <b>159</b> | <b>215</b> | <b>3,762</b> | <b>3,268</b> |

# Universal Credit Programme – Investment, Running Costs and Savings

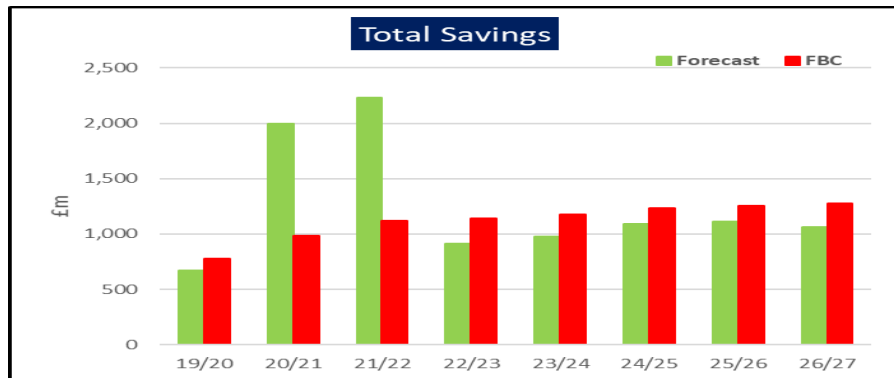
2021/22 Period 11



**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.



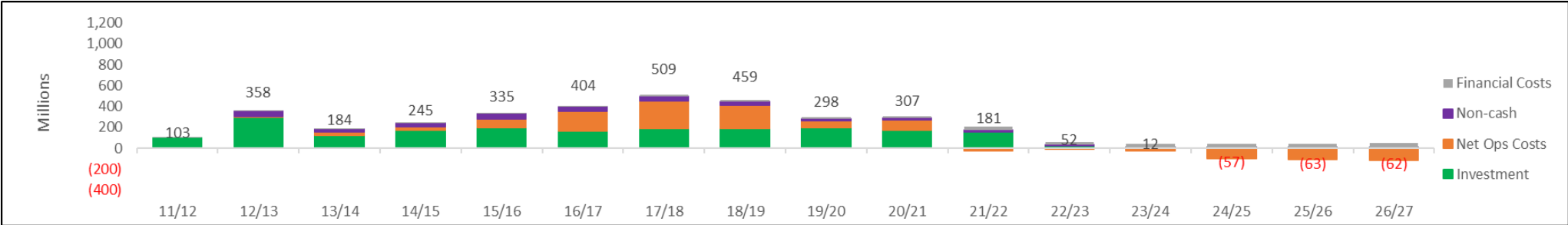
**Running Costs Headlines**  
 Increase in 20/21 and 21/22 reflect current Winter 20 volumes. As a result of Covid-19 volumes have significantly increased driving an increase in Operational Service Delivery costs. From April 2022 to the end of the Programme forecasts remain based on Autumn 19 volumes.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



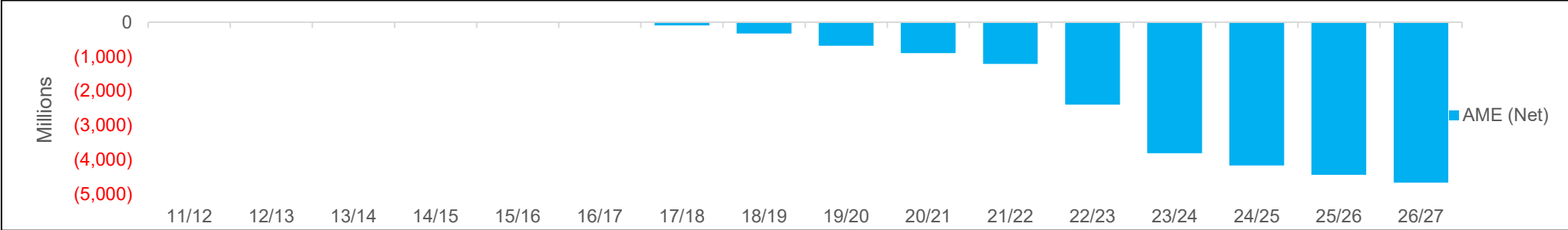
**Savings Headlines**  
 Increase in 20/21 and 21/22 benefits following changes to the methodology and updated Winter 20 volumes. These new volumes include the impact of Covid-19 and a significant increase in UC caseload and UC benefits. Subsequent years are still based on Autumn 19 volumes. Future years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



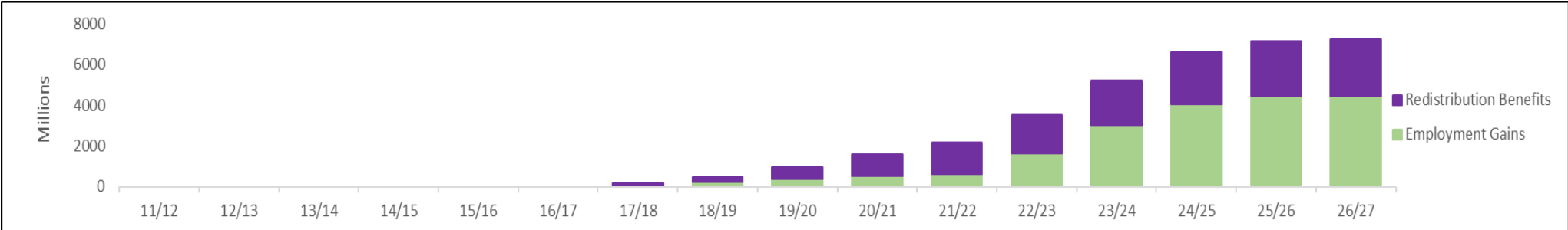
### DEL Costs



### AME Costs and Savings



### Economic Benefits



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

