

Finance Report UC Programme Board

October 2022/23 Period 07

UCPB151122 – BTL04

Universal Credit Programme – Contents

2022/23 Period 07**Slide**

Finance Position 22/23

3

Drawdown Approval

4

Total Programme Costs

5

Investment, Running Costs and Savings

6

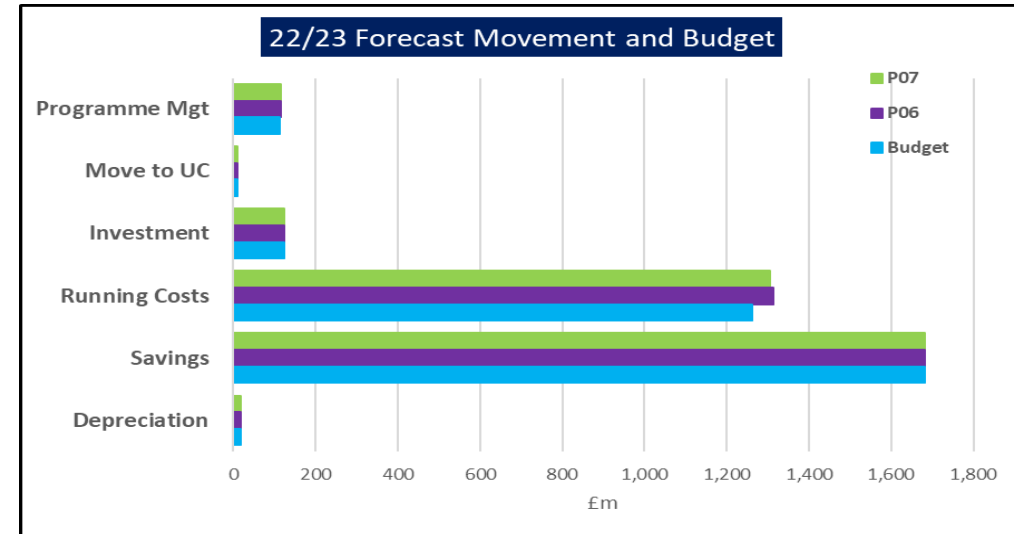
Full Business Case View

7

Universal Credit Programme – Finance Position 22/23

2022/23 Period 07

	Forecast 22/23			Budget 22/23	
	P07	P06	Var	Budget	Var
Programme Mgt	115	115	0	113	(2)
Move to UC	10	10	(0)	11	1
Investment	124	125	0	124	(0)
Running Costs	1,306	1,313	7	1,262	(44)
Savings	(1,683)	(1,683)	0	(1,683)	1
Depreciation	17	17	(0)	17	0
Total	(236)	(229)	7	(279)	(43)



This report reflects P7 Hyperion position, not the FBC refresh position. When the FBC refresh is ratified by the Board this will be updated on our Hyperion for P8 as outlined in governance requirements.

Forecast

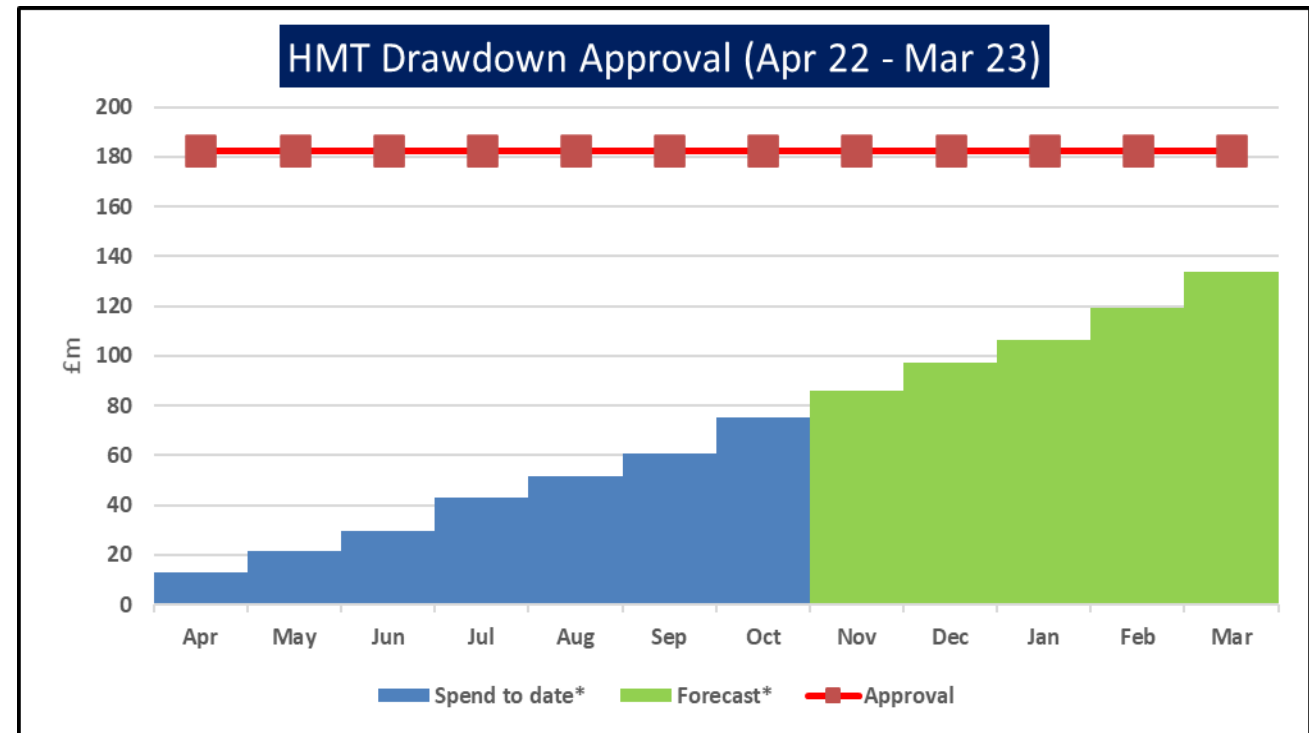
- Total forecast reduction this month of £0.2m due to offsetting movements across TCR, HMRC and workforce plans. The central overlay agreed at P06 to reflect potential delays to recruitment and opportunities across the last 6 months of the year currently stands at £10.3m
- Operations forecast has reduced by £7.0m as a result of lower average salaries, high staff attrition rates, site closures and reversal of ERNIC's.

Budget

- £49.3m reduction to budget due to departmental budget realignment to the P06 position.

Drawdown Approval Narrative.

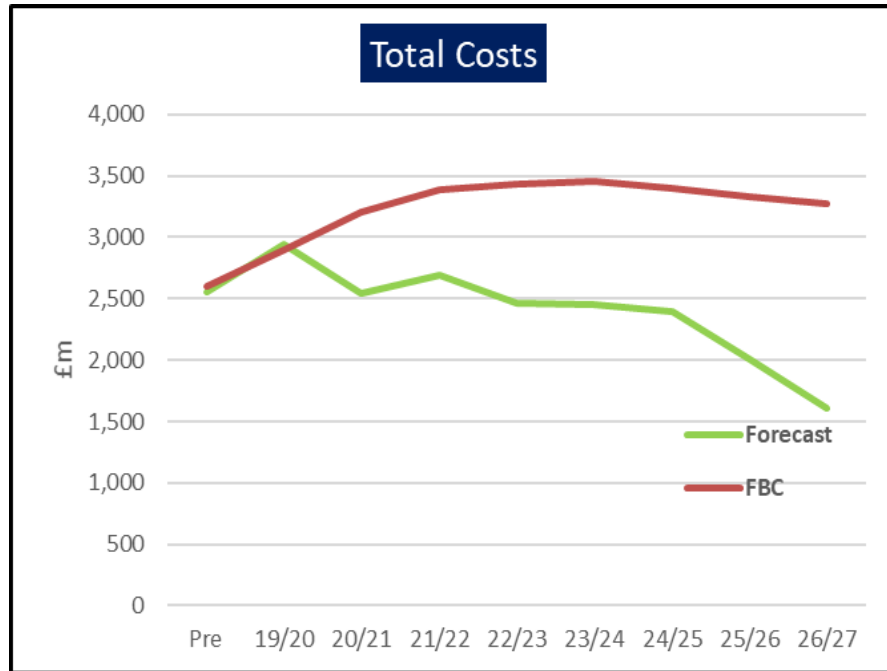
- Approval of £182.6m excluding depreciation and £198.8m including depreciation has been given to the Programme by HMT for the 22/23 drawdown, subject to regular HMT engagement and approval points.



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

Universal Credit Programme – Total Programme Costs

2022/23 Period 07



Total Programme Costs Headlines

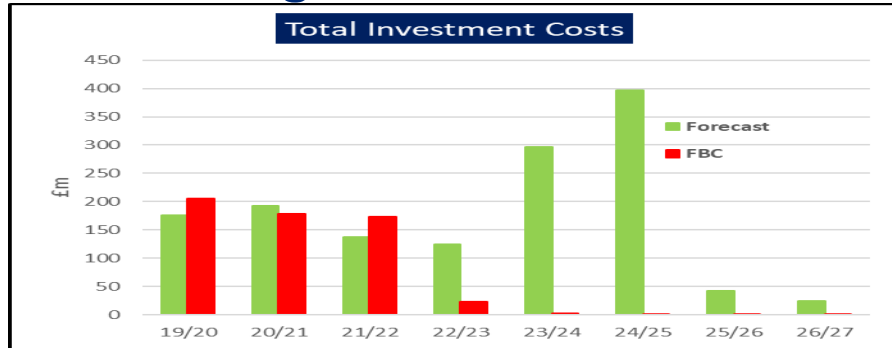
- Overall Forecast costs are £1.6bn lower than the 2018 FBC. This is due to the implementation of the revised Winter Planning 21 volumes, aligned to the SR21 submission, which has impacted the Move to UC investment costs, operational running costs, and operational savings.
- The savings methodology was 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	115	197	228	38	24	2,491	1,771
Move to UC	45	30	22	7	10	100	169	4	1	387	291
Investment	1,486	176	193	137	124	297	397	42	24	2,877	2,062
Running Costs	1,645	864	1,396	1,631	1,306	1,546	1,715	1,871	1,902	13,876	10,655
Savings	(842)	(670)	(1,996)	(1,631)	(1,683)	(1,870)	(2,189)	(2,323)	(2,352)	(15,557)	(9,806)
Depreciation	266	13	13	15	17	19	21	24	22	410	357
Total	2,554	384	(394)	153	(236)	(9)	(56)	(386)	(404)	1,605	3,268

Re-categorisation changes made between Programme and Move to UC

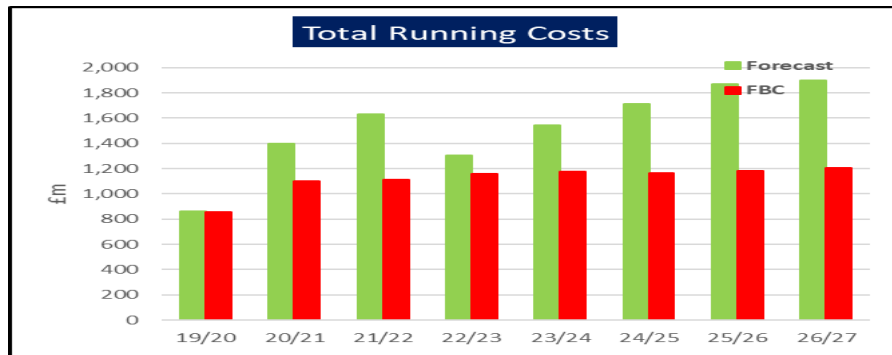
Universal Credit Programme – Investment, Running Costs and Savings

2022/23 Period 07



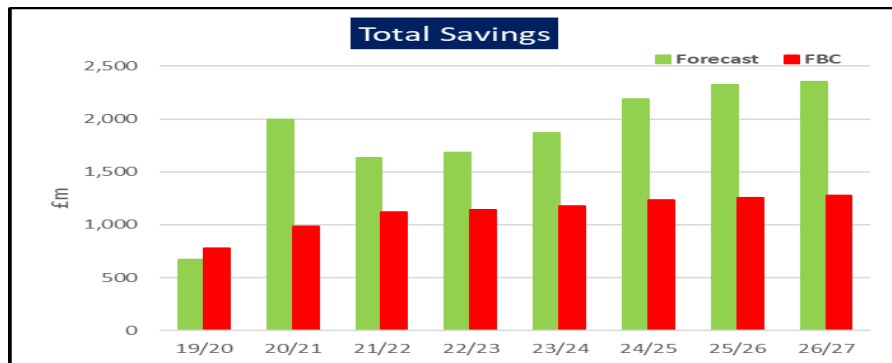
Investment Costs Headlines

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.



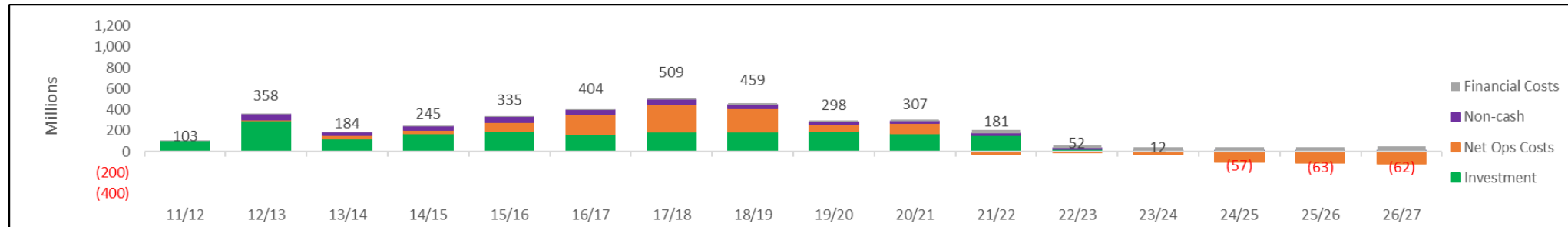
Savings Headlines

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.

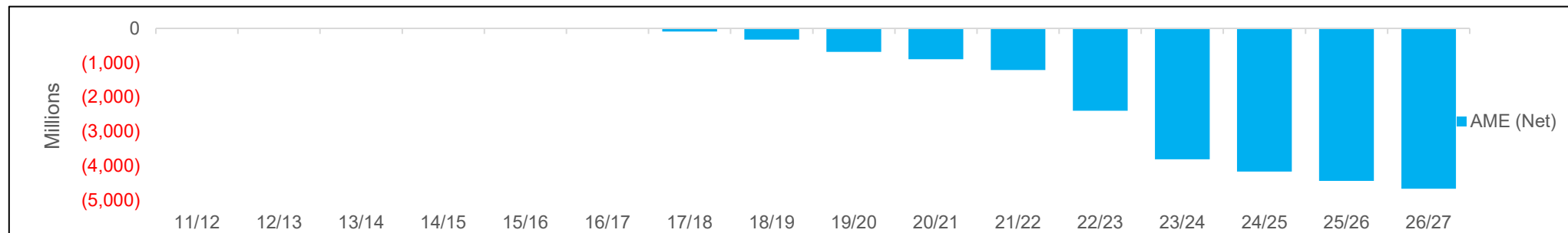
Full Business Case View

2022/23 Period 07

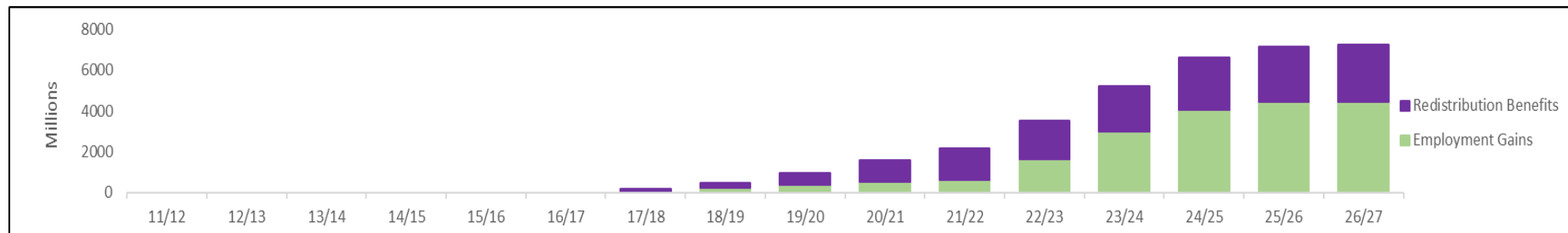
DEL Costs



AME Costs and Savings



Economic Benefits



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