

# UC Finance Update

**Sponsor: Ian Wright**

**Author:** [REDACTED]

**Board/Authority/Group: UC Programme Board**

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For Discussion and Information

**UCPB200623 – Paper No. 3**

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### Slide

Finance Position 23/24

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Drawdown Approval

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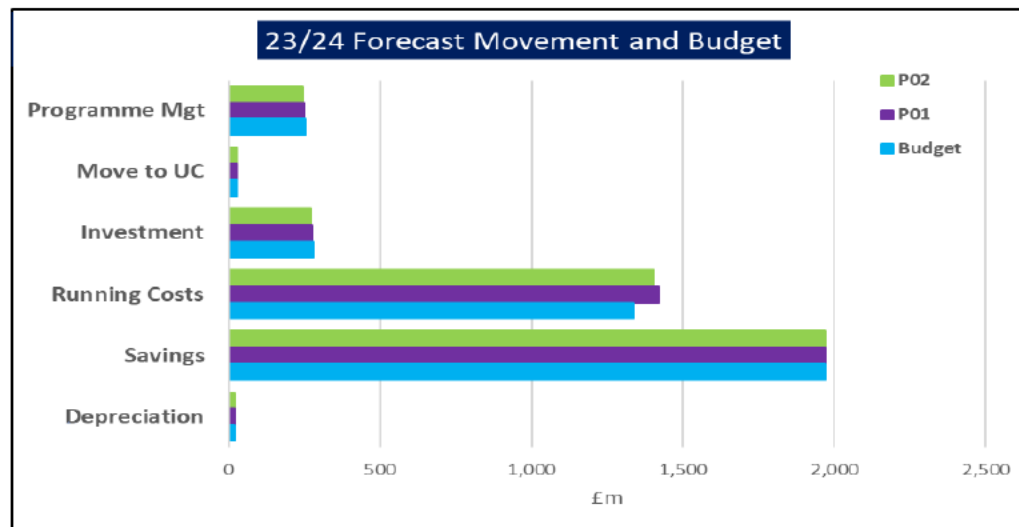
Total Programme Costs

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Investment, Running Costs and Savings

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	Forecast 23/24			Budget 23/24	
	P02	P01	Var	Budget	Var
Programme Mgt	244	249	5	252	8
Move to UC	27	27	(0)	27	(0)
<b>Investment</b>	<b>271</b>	<b>276</b>	<b>5</b>	<b>279</b>	<b>8</b>
Running Costs	1,404	1,420	16	1,336	(68)
Savings	(1,969)	(1,969)	0	(1,969)	0
Depreciation	20	20	(0)	20	0
<b>Total</b>	<b>(275)</b>	<b>(254)</b>	<b>21</b>	<b>(335)</b>	<b>(60)</b>



### Forecast

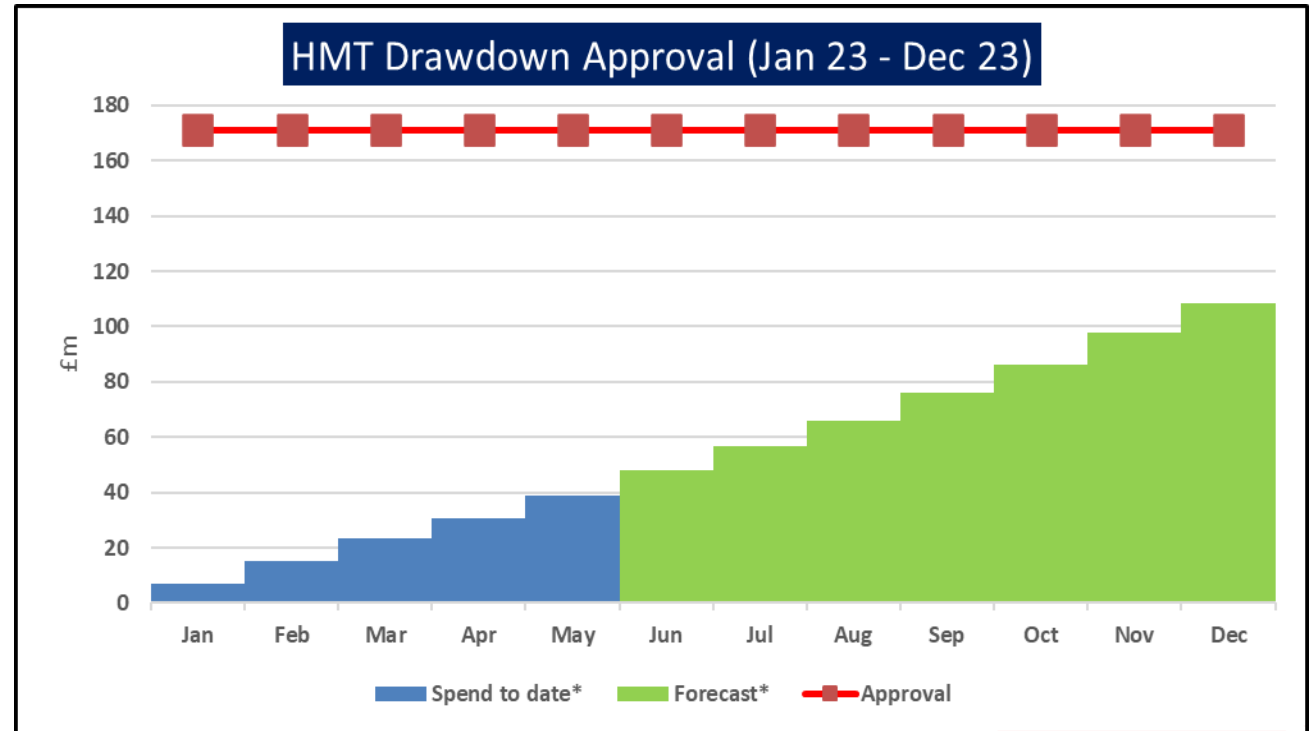
- Total forecast decrease this month of **£21.4m**, made up of:
- £16.1m** - UC Operations recruitment slippage
- £5.3m - £5.0m** Reduction in Move to UC Marketing, aligning to the approved campaign and **£0.3m** updated Programme workforce plans

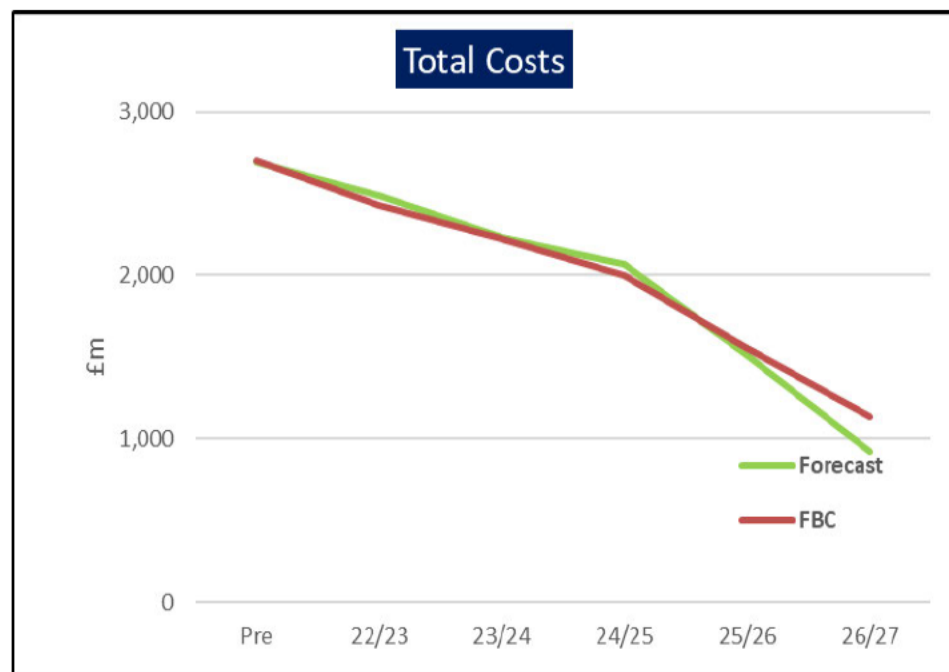
### Budget

- No budget movement this month.
- The 23/24 Budget is **£281.5m** including depreciation (£264.7m excluding depreciation).

### Drawdown Approval Narrative.

- Current forecast of £109m
- HMT has approved drawdown of £171m for Move to UC, for the period January 2023 to December 2023, excluding depreciation.
- Drawdown is not required for Help to Claim and Targeted Case Review which have already received HMT approval.



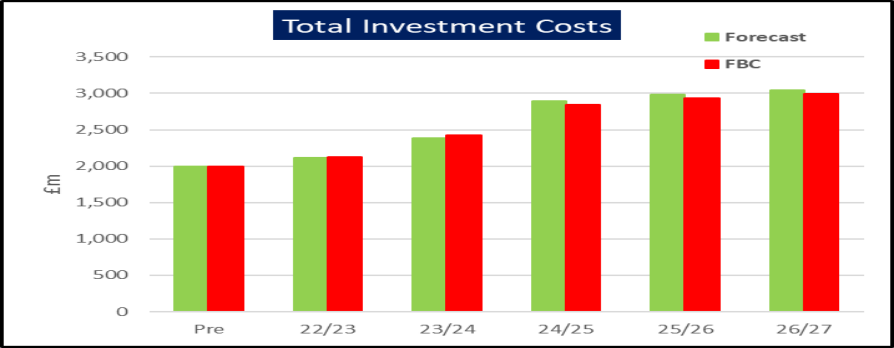


### Total Programme Costs Headlines

Overall forecast costs are £238m lower than the FBC Refresh due to:

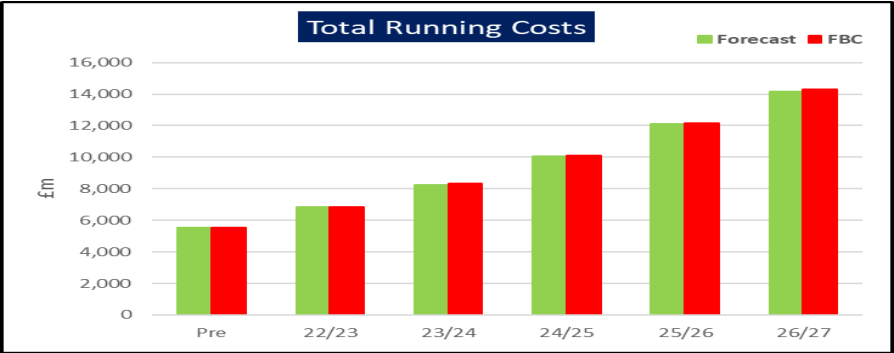
- The impact of the WP22 volume refresh on operational costs and savings
- The policy change for an increase in the Administrative Earnings Threshold (AET) to 15 hours
- Changes to the Employment Support Allowance migration timetable
- The adoption of a new Move to UC migration cost model
- Additional Autumn Statement 22 funding for the increased Targeted Case Review activity

	Total Costs £m								Whole Life Movement
	Pre	22/23	23/24	24/25	25/26	26/27	Total	FBC	
Programme Mgt	1,841	117	244	434	89	51	2,776	2,554	(222)
Move to UC	152	7	27	77	1	0	264	443	179
Investment	1,993	124	271	511	90	51	3,040	2,997	(43)
Running Costs	5,536	1,288	1,404	1,827	2,040	2,074	14,170	14,308	138
Savings	(5,141)	(1,637)	(1,969)	(2,524)	(2,716)	(2,741)	16,728	(16,588)	140
Depreciation	307	17.4	19.5	22.4	25.5	24.1	415.8	419	3
Total	2,695	(208)	(275)	(163)	(561)	(591)	897	1,135	238



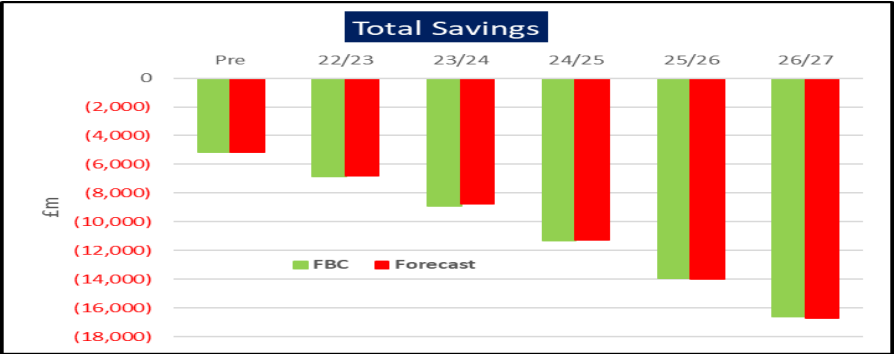
**Investment Costs Headlines**

Investment forecast currently higher due to the impacts of additional Autumn Statement 22 funding for the increased Targeted Case Review activity and latest Move to UC volumes and adoption of updated Migration Cost Model.



**Running Costs Headlines**

Running cost forecast currently lower than the FBC Refresh due to impact of the WP22 volume refresh, policy change for an increase in the Administrative Earnings Threshold (AET) to 15 hours, a reduction in UC Operations following revised methodologies when allocating forecast between UC & Legacy and updated recharges incorporated into forecast.



**Savings Headlines**

Benefit savings have been recalculated using the revised ‘Like for Like’ savings model that was agreed with HMT in March 2021, recalculated to reflect the Winter Planning 2022 volumetrics and legacy benefit conversion methodology.