

Finance Update

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Board/Authority/Group: UC Programme Board

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For information.

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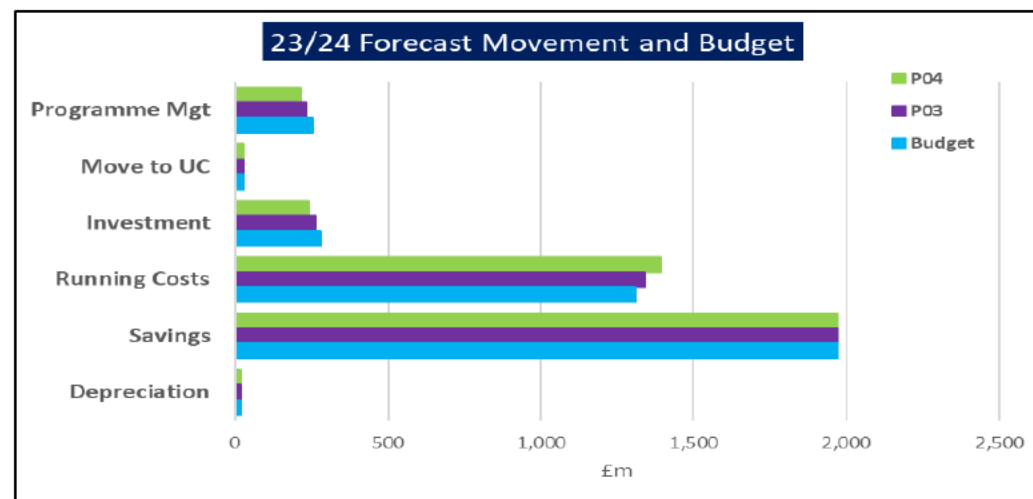
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Universal Credit Programme – Finance Position 23/24 2023/24 Period 04 Data

	Forecast 23/24			Budget 23/24	
	P04	P03	Var	Budget	Var
Programme Mgt	216	235	20	252	36
Move to UC	27	27	0	27	0
Investment	243	263	20	279	36
Running Costs	1,391	1,340	(51)	1,309	(82)
Savings	(1,969)	(1,969)	0	(1,969)	0
Depreciation	20	20	(0)	20	(0)
Total	(316)	(347)	(32)	(361)	(46)



September Programme Board being held on 5th September (WD3), P05 figures not available until WD5, therefore reports includes P04 data ending 31st July.

Forecast

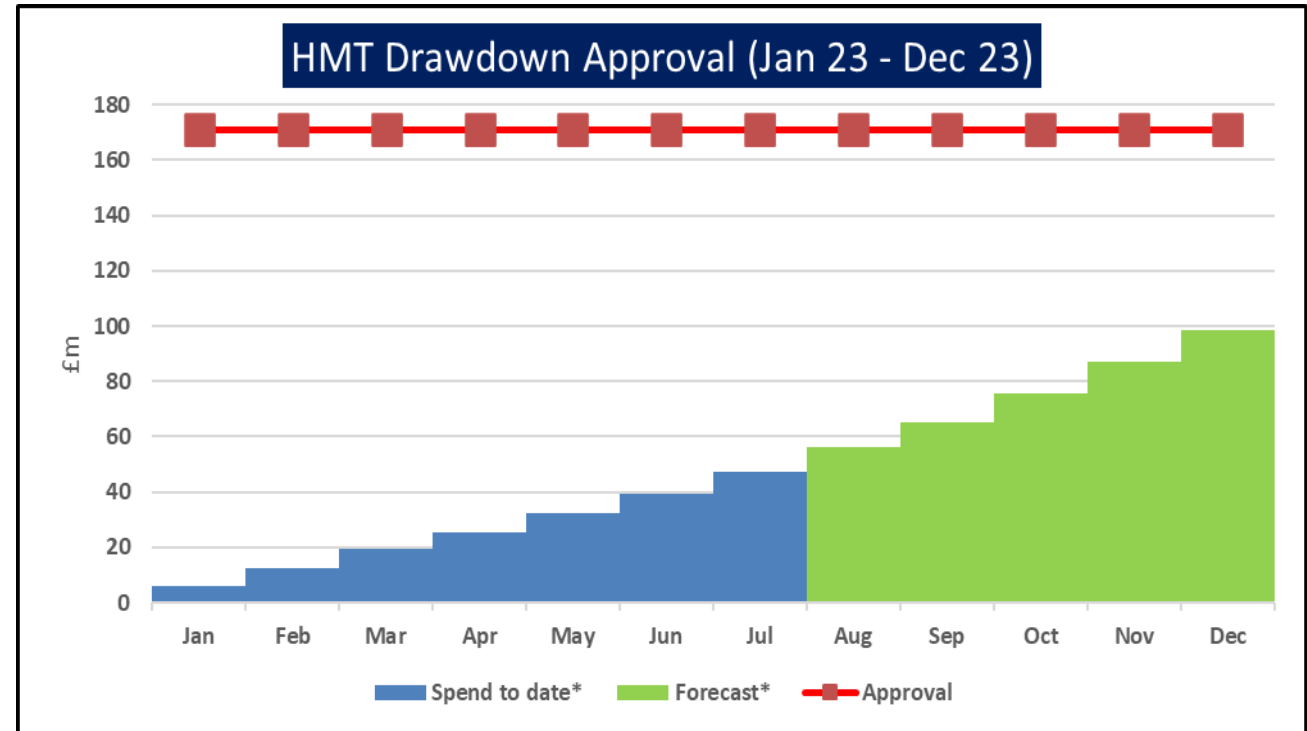
- Total forecast increase this month of **(£31.7m)**, made up of:
 - UC Operations – (£51.7)m** increase due to £1500 non-consolidated bonus payment and updated recruitment plans.
 - Programme Costs - £20.0m** reduction due to £20.0m removed from TCR as agreed with programme due to the latest plans forecasting hybrid recruitment to start from April 24.

Budget

- No budget movement this month
- The 23/24 Budget is **£281.5m** including depreciation (£264.7m excluding depreciation)
- UC Operations are currently forecasting a **£82m** pressure against budget but are awaiting further budget which will offset most of this pressure.

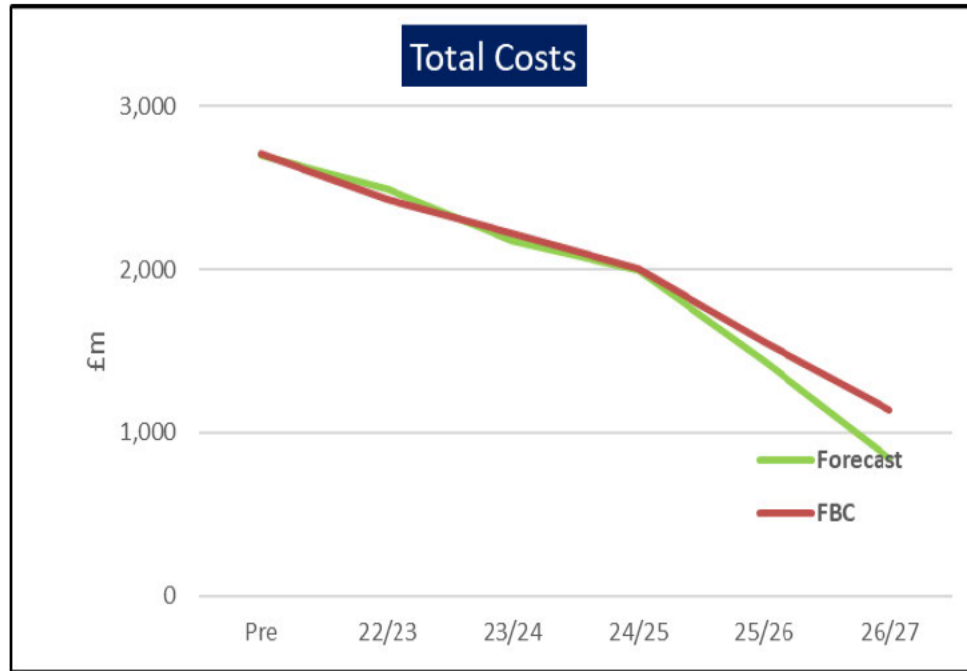
Drawdown Approval Narrative.

- Current forecast of £108m (£91m excl depreciation).
- 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.



Universal Credit Programme – Total Programme Costs

2023/24 Period 04 Data



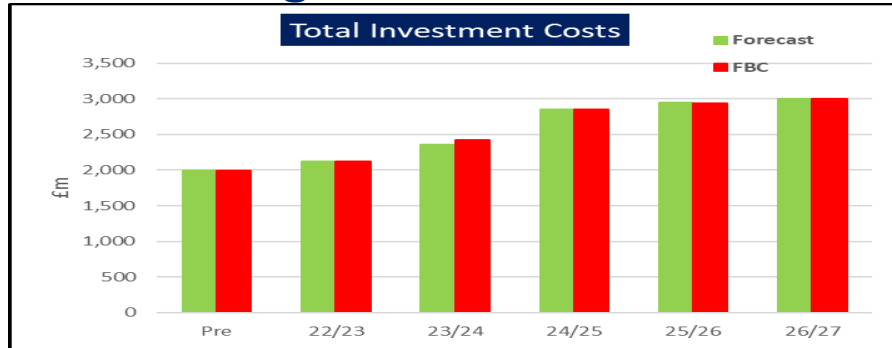
Total Programme Costs Headlines

Overall forecast costs are £295m 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 Discovery Move to UC migration cost model
- Additional Autumn Statement 22 funding for the increased Targeted Case Review activity

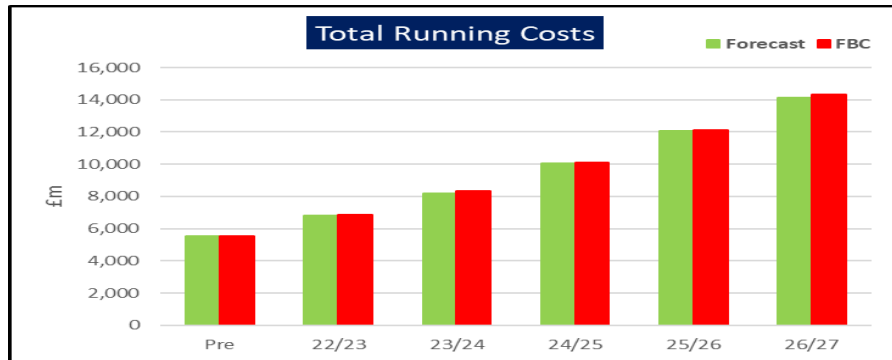
	Total Costs £m								Whole Life Movement
	Pre	22/23	23/24	24/25	25/26	26/27	Total	FBC	
Programme Mgt	1,841	117	216	418	89	51	2,733	2,554	(179)
Move to UC	152	7	27	77	1	0	264	443	179
Investment	1,993	124	243	495	90	51	2,997	2,997	0
Running Costs	5,536	1,288	1,391	1,827	2,040	2,074	14,157	14,308	151
Savings	(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)	(316)	(179)	(561)	(591)	841	1,135	295

Universal Credit Programme – Investment, Running Costs 2023/24 Period 04 Data and Savings



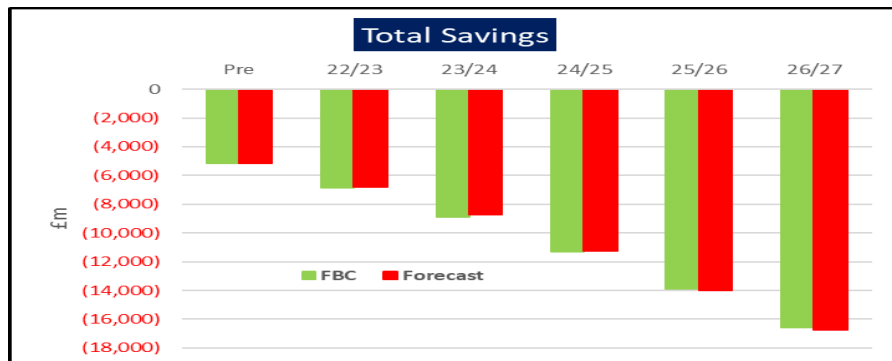
Investment Costs Headlines

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.