

# Finance Update

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

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**UCPB211123 – BTL02**

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Finance Position 23/24

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Drawdown Approval

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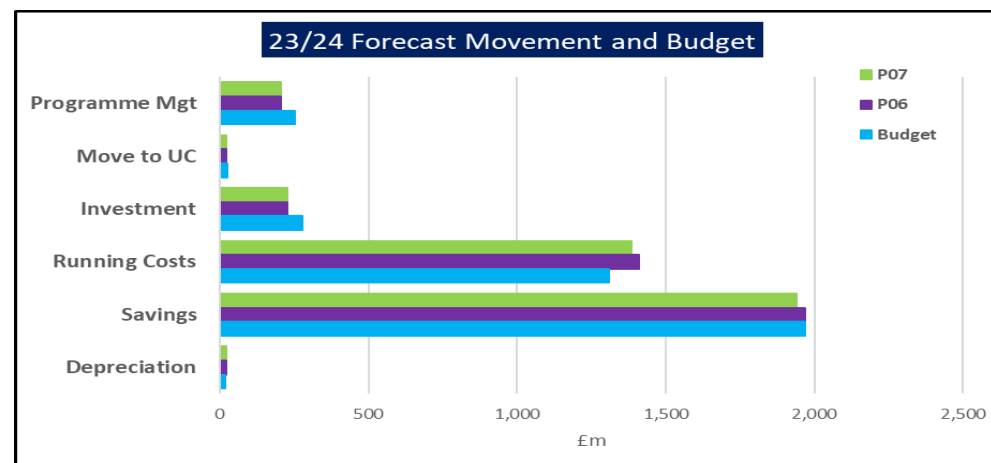
Total Programme Costs

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Investment, Running Costs and Savings

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	Forecast 23/24			Budget 23/24	
	P07	P06	Var	Budget	Var
Programme Mgt	207	205	(2)	252	45
Move to UC	21	23	2	27	6
<b>Investment</b>	<b>228</b>	<b>228</b>	<b>0</b>	<b>279</b>	<b>52</b>
Running Costs	1,384	1,411	27	1,309	(74)
Savings	(1,942)	(1,969)	(28)	(1,969)	(28)
Depreciation	21	21	(0)	20	(1)
<b>Total</b>	<b>(310)</b>	<b>(310)</b>	<b>(0)</b>	<b>(361)</b>	<b>(51)</b>



### Forecast

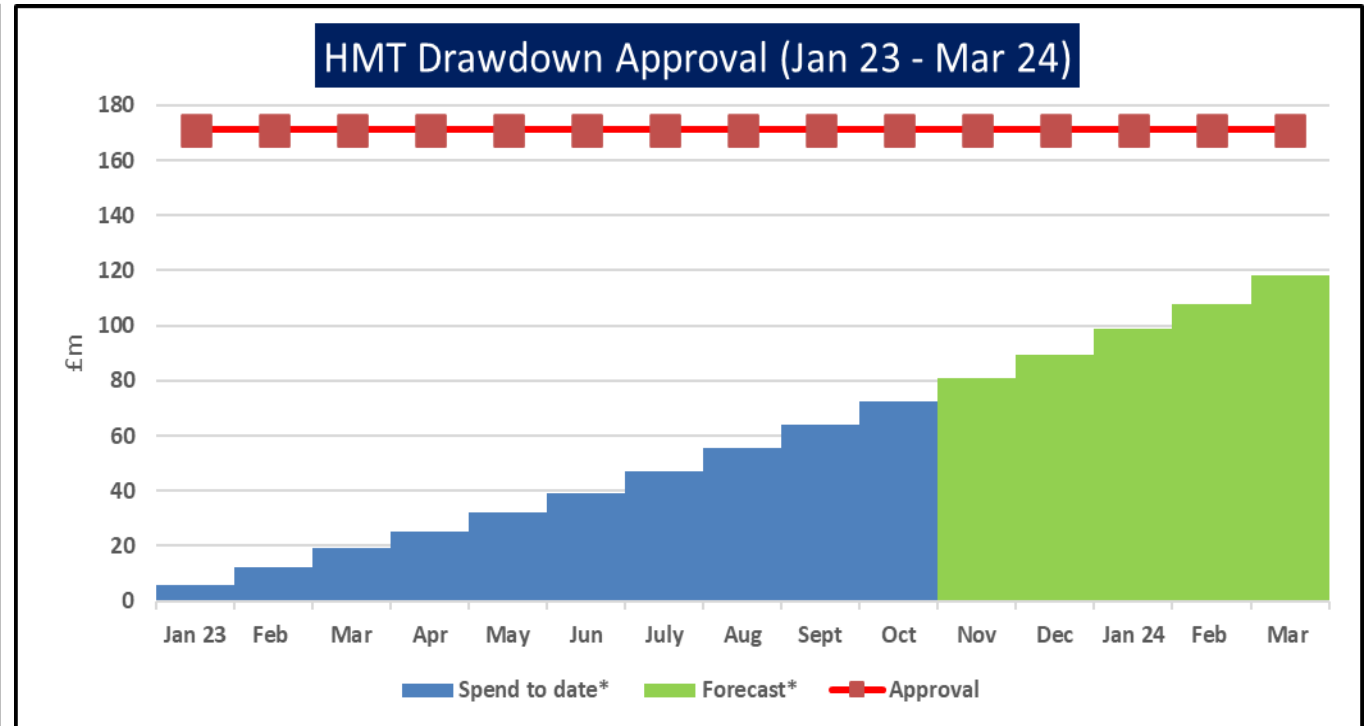
- Net nil movement in forecast this month:
- **UC Operations** – Decrease in running costs of **£24.8m** due to removal of inflation which is now included in uplifted average salaries and **£2.5m** decrease due to operational FTE lower than forecast. This has been offset by **£28m** increased savings to align to Spring 23 refresh resulting in net nil movement.
- **Programme Costs** - **£4.1m** decrease made up of: **£3.1m** decrease in TCR due to updated recharge profile to factor in recruitment slippage and removal of balancing figure now included in overlay and **£1.9m** decrease in M2UC operational recharge due to revised recharge. This is offset by small increases of **£0.9m** due to updated workforce plans and recharges revised to P07 updated salaries and **£0.2m** for M2UC Marketing due to increase in Q4 forecast. This **£4.1m** movement has been absorbed into the overlay which now stands at **£8.3m** and therefore resulting in net nil movement.

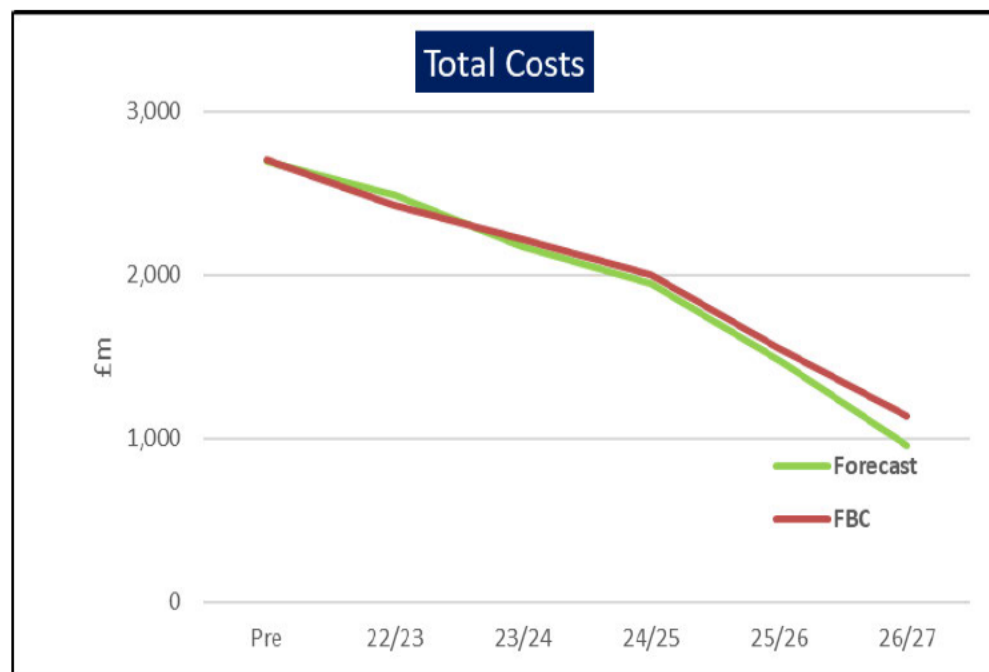
### Budget

- The 23/24 Budget remains at **£281.5m** including depreciation (£264.7m excluding depreciation)
- UC Operations are currently forecasting a **£102m** pressure against budget but are awaiting further budget which will offset most of this pressure when the P08 budget realignment takes place.

### Drawdown Approval Narrative.

- Current forecast of £140m ( £118m excl Depreciation).
- HMT initially approved drawdown of £171m for Move to UC, for the period January 2023 to December 2023, excluding depreciation. This has now been extended in time only to cover up to 31<sup>st</sup> March 2024.
- Drawdown is not required for Help to Claim and Targeted Case Review which have already received HMT approval.



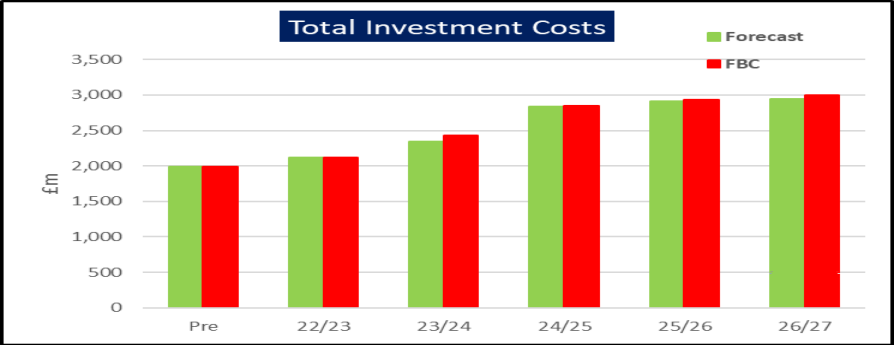


### Total Programme Costs Headlines

Overall forecast costs are £182m lower than the FBC Refresh due to:

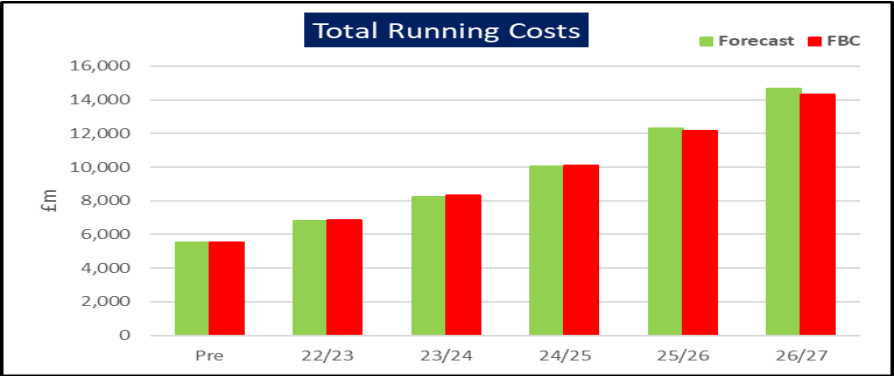
- The impact of the Spring 23 volume refresh on operational costs and savings
- The policy change for an increase in the Administrative Earnings Threshold (AET) to 15 hours
- Changes to the Employment Support Allowance migration timetable
- The adoption of a new Discovery Move to UC migration cost model
- 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	207	432	71	33	2,701	2,554	(147)
Move to UC	152	7	21	62	1	0	243	443	200
Investment	1,993	124	228	495	72	33	2,944	2,997	53
Running Costs	5,536	1,288	1,384	1,855	2,257	2,319	14,640	14,308	(332)
Savings	(5,141)	(1,637)	(1,942)	(2,602)	(2,820)	(2,906)	17,048	(16,588)	460
Depreciation	306.9	17.4	20.6	23.8	25.5	24.1	418	419	1
Total	2,695	(208)	(310)	(229)	(466)	(530)	953	1,135	182



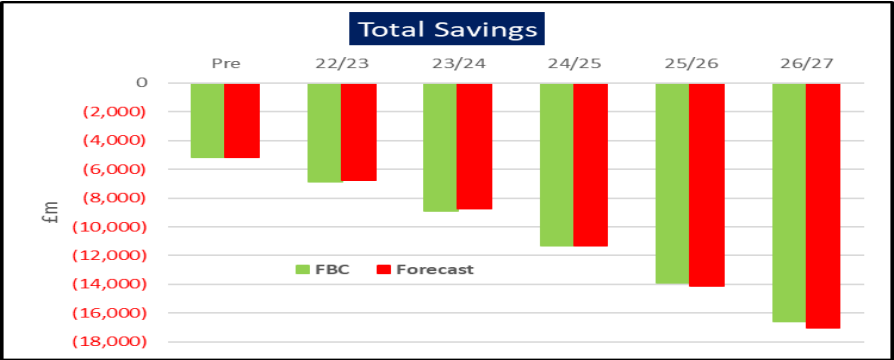
**Investment Costs Headlines**

Investment forecast currently lower due to reflecting latest recruitment profiles (23/24) and Future Support Offer forecast being reduced in future years to reflect FSO 2024 competition.



**Running Costs Headlines**

Running cost forecast currently higher than the FBC Refresh due to impact of the Spring 23 volume refresh, policy change for an increase in the Administrative Earnings Threshold (AET) to 15 hours. TCR increase in future years to ramp up to 'Bigger and Faster' profile.



**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 Spring 23 volumetrics and legacy benefit conversion methodology.