



Supplementary Estimate 2022-23

Select Committee Memorandum

February 2023

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1 Overview

1.1 Objectives

DWP's vision is to improve people's quality of life both now and in the future, supporting people to become financially resilient by moving into employment while providing a safety net for those who cannot work. We trust and empower our people to deliver excellent services to our millions of customers every day, including the most vulnerable in society. Our Departmental Plan sets out our objectives for the next year and beyond that will help deliver that vision and how, together, we will achieve them.

To deliver our vision, we have three core objectives:

1. Maximising employment and in-work progression
2. Improving people's quality of life
3. Delivering excellent services for citizens and taxpayers

This Memorandum presents the Department's main areas of spending for 2022-23 in the context of spending controls, comparing that spend to the 2021-22 Outturn and then to the 2022-23 Main Estimate.

1.2 Spending controls

DWP's spending is broken down into several different spending totals, for which Parliamentary approval is sought.

The spending totals which Parliament votes are:

- **Resource Departmental Expenditure Limit ("Resource DEL")** – day to day running costs.
- **Capital Departmental Expenditure Limit ("Capital DEL")** – investment in infrastructure and financial transactions. Financial transactions in DWP DEL include Social Fund Funeral Expense Payments and National Employment Savings Trust loan.
- **Resource Annually Managed Expenditure ("Resource AME")** – in DWP's case, mainly payment of pensions and benefits.
- **Capital Annually Managed Expenditure ("Capital AME")** – in DWP's case, payments of Support for Mortgage Interest loans and Universal Credit advances to customers, less repayments from customers.

- **Non-budget expenditure** – includes the cash paid into the Social Fund, which covers expenditure made from the fund. It also includes grant-in-aid payments to arm's length bodies.

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which require DWP to pay out cash in-year.

1.3 Main areas of spending

The figures below show the main components of DWP's proposed budget, included in the Supplementary Estimate.

Figure 1: Resource DEL 2022-23

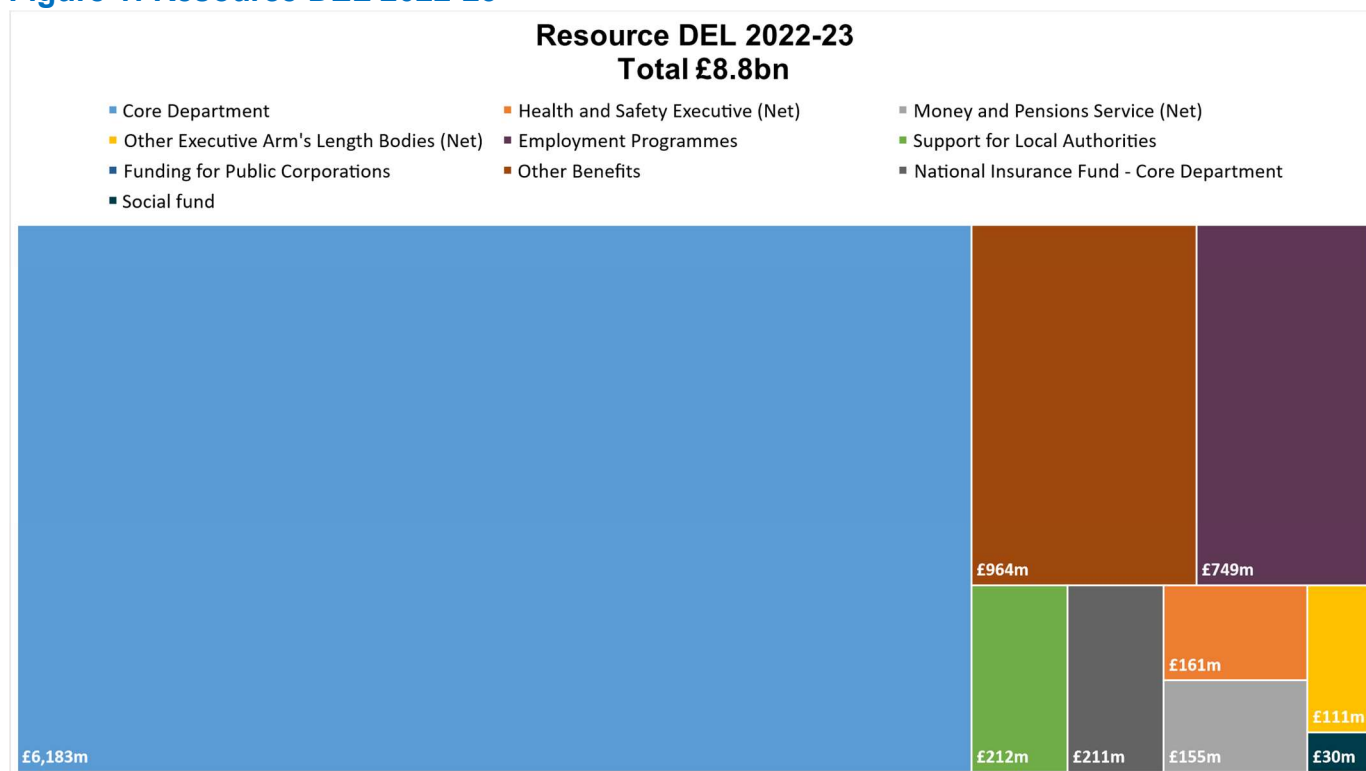


Figure 2: Capital DEL 2022-23

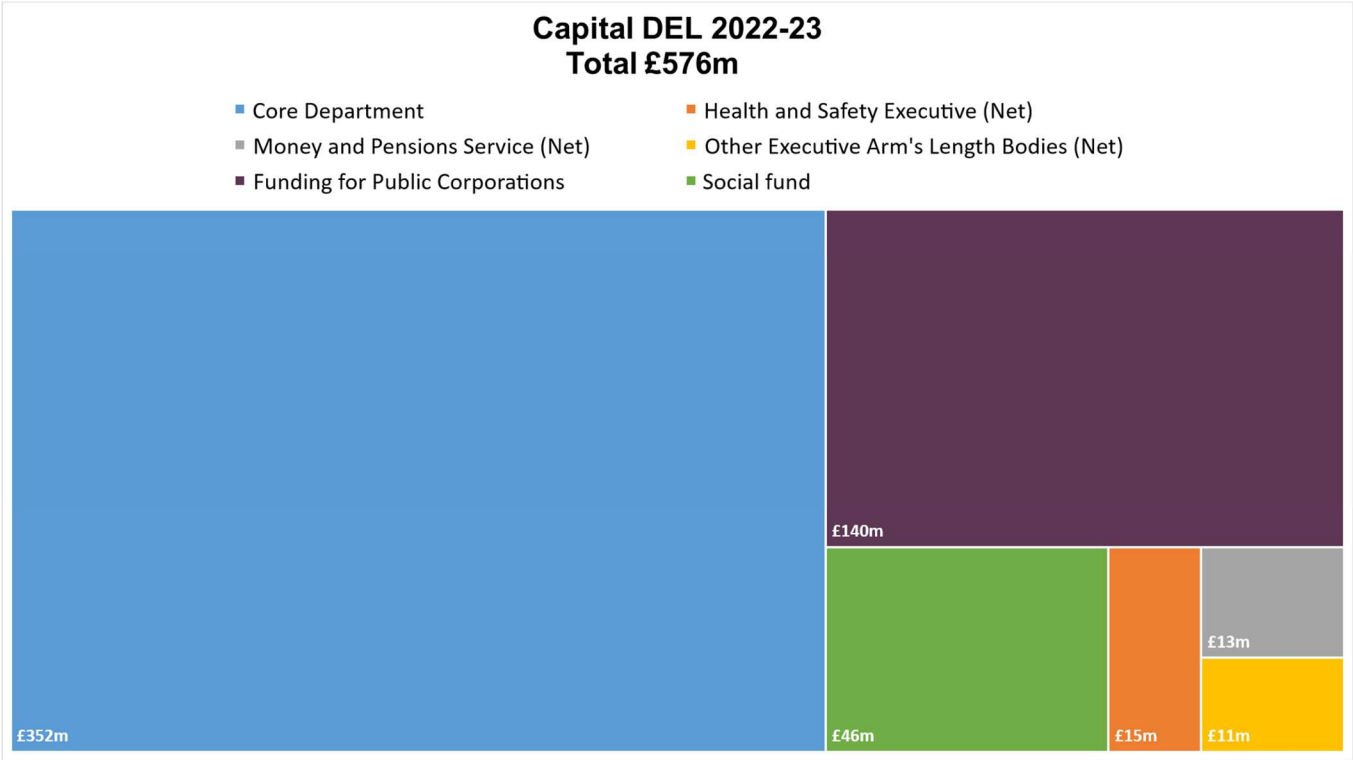
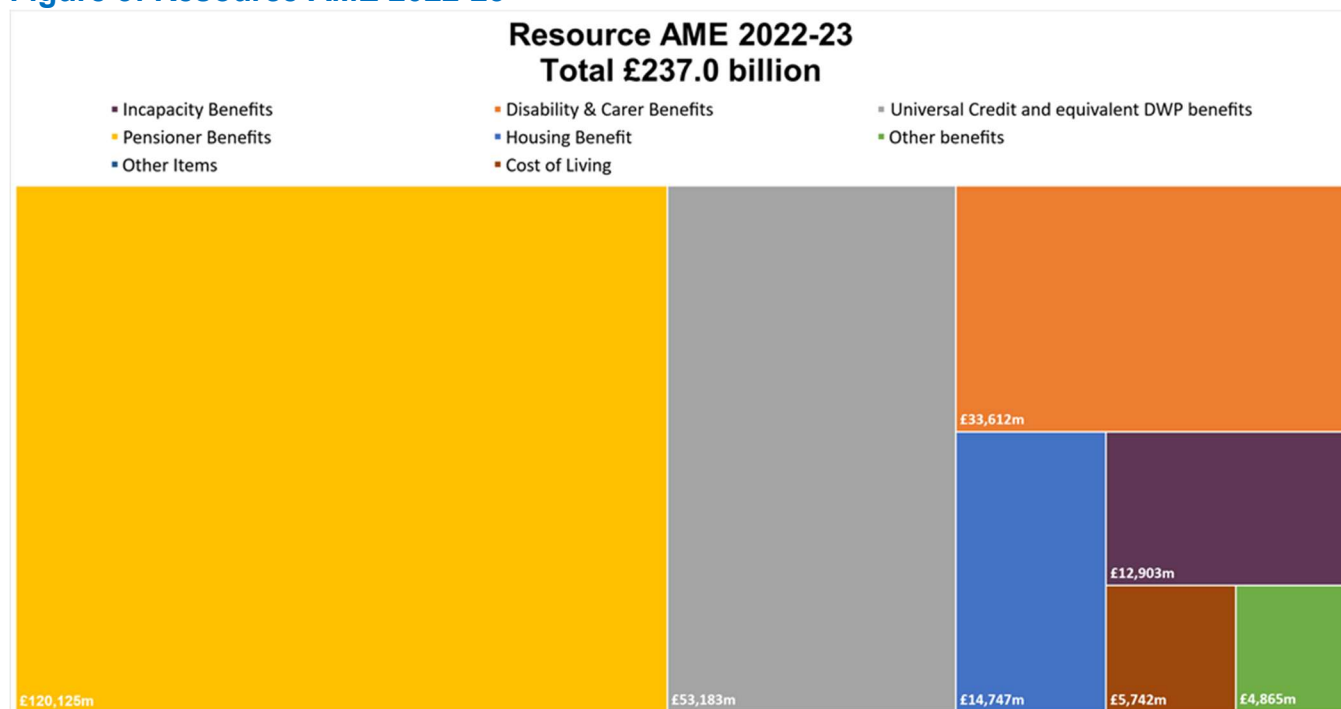


Figure 3: Resource AME 2022-23¹

1.4 Comparison of spending totals sought

Table 1 shows how the totals sought for DWP in the 2022-23 Supplementary Estimate compare with the 2022-23 Main Estimate and the 2021-22 Outturn.

Further details of the changes compared to the 2021-22 Outturn are provided below (section 1.5), alongside the year on year spending trends (section 1.7) and changes compared to the 2022-23 Main Estimate (section 2.1).

Table 1: Comparison of spending totals^{2 3}

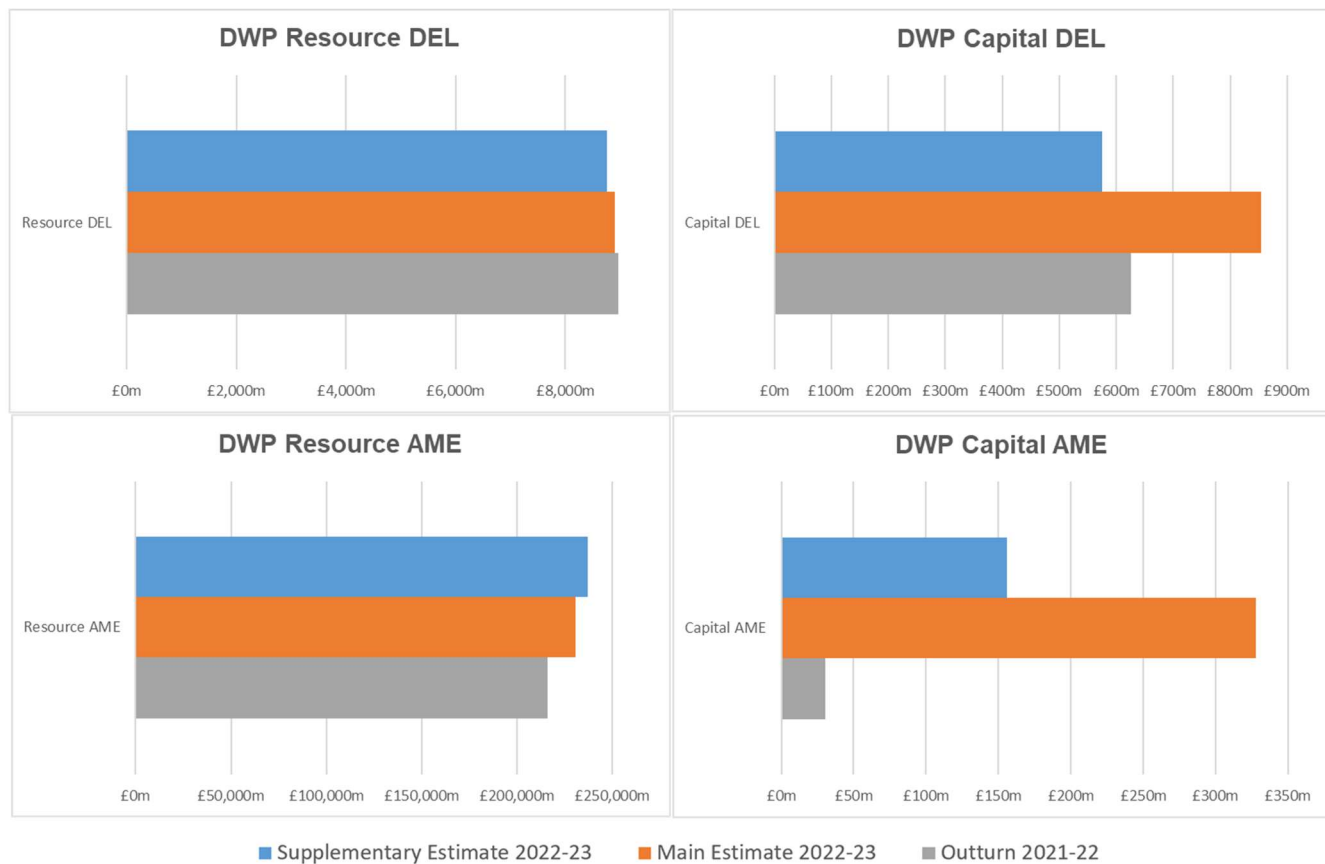
Amounts sought in Supplementary Estimate 2022-23		Change compared to Main Estimate 2022-23		Change compared to Outturn 2021-22	
	£m	£m	%	£m	%
Resource DEL	8,766.5	(133.3)	(1.5)	(205.3)	(2.3)
Capital DEL	576.1	(277.7)	(32.5)	(50.0)	(8.0)
Resource AME	237,036.9	6,174.3	2.7	21,007.3	9.7
Capital AME	155.7	(171.9)	(52.5)	125.5	414.6

¹ Total does not sum due to non-contributory Employment and Support Allowance (ESA) being included in Incapacity Benefits and in Universal Credit and equivalent benefits (see Table 5).

² Figures in brackets in all tables denote a decrease.

³ Figures may not sum due to rounding.

Figure 4: Comparison of spending totals



1.5 Key drivers of spending changes since last year

DWP's final DEL outturn in 2021-22 was £9,598m (£8,972m RDEL and £626m CDEL). The Supplementary Estimate funding position for 2022-23 is £9,343m (£8,767m RDEL and £576m CDEL) a decrease of £255m.

The main movements compared to the 2021-22 Outturn, by funding category, are shown below. Changes compared with the Main Estimate are expanded on in Section 2.1.

- **Resource DEL** – The decrease of £205m includes some significant movements as the Department wound down responses to the COVID-19 pandemic.
 - Of the main Employment Programmes to support claimants into work, Job Entry Targeted Support (JETS) ended in 2021-22, Kickstart continued into 2022-23 but mainly supporting existing claimant cohorts, and the Restart Programme which started in 2021-22 is ongoing, supporting claimants in the Intensive Work Search Regime. Employment

Programmes have decreased DWP's Supplementary Estimate funding position by £638m from the 2021-22 outturn figures.

- £288m reduction in staff costs in Work and Health Services, mainly due to the cessation of fixed-term contracts for staff taken as part of the Department's Covid-19 response.
 - DWP was funded £842m to administer the Cost of Living Grant (formally Housing Support Fund) to Local Authorities to support vulnerable households across the country to fund essential winter expenditures. This is an increase of £429m from the £413m paid in 2021-22.
 - The Department was funded an additional £142m to support Fraud, Error and Debt prevention.
- **Capital DEL** – The net decrease of £50m since the 2021-22 Outturn is mainly driven by:
 - £317m reduction in the Rapid Estates Expansion Programme (REEP). In 2021-22 the REEP resulted in several new Job Centre Plus (JCP) sites opening across the DWP estate as part of the Department's COVID-19 response.
 - Additional funding of £230m received for IFRS 16 accounting adjustments.
 - **Resource AME** – The increase of £21bn since the financial year 2021-22 comprises:
 - £7.2bn State Pension (contributory) uprating in line with 3.1% inflation, higher caseloads and margins.
 - £5.7bn in relation to the new 2022 Cost of Living payments.
 - £3.5bn Universal Credit (UC) uprating, increases in caseloads, annual awards and margins.
 - £3.1bn Personal Independence Payments (PIP) uprating and margins.

The Office for Budget Responsibility (OBR) forecasts of benefit expenditure are central estimates which are updated by DWP forecasters. A margin is applied to mitigate against uncertainty inherent in these forecasts and to reflect that they are equally likely to go up or down.

- **Capital AME** – The increase of 126m is mainly due to higher UC caseloads at Main Estimate, resulting in an increase in UC Advances since 21-22. Details of

the movements in Capital AME since Main Estimate can be found in section 1.7 and section 2.1.

1.6 New policies and programmes; Ambit changes

The Department has augmented the Ambit to reflect the cross-government costs incurred for the Synergy Programme and AME related income receipts. There have been no other changes to the activities included in the Ambit.

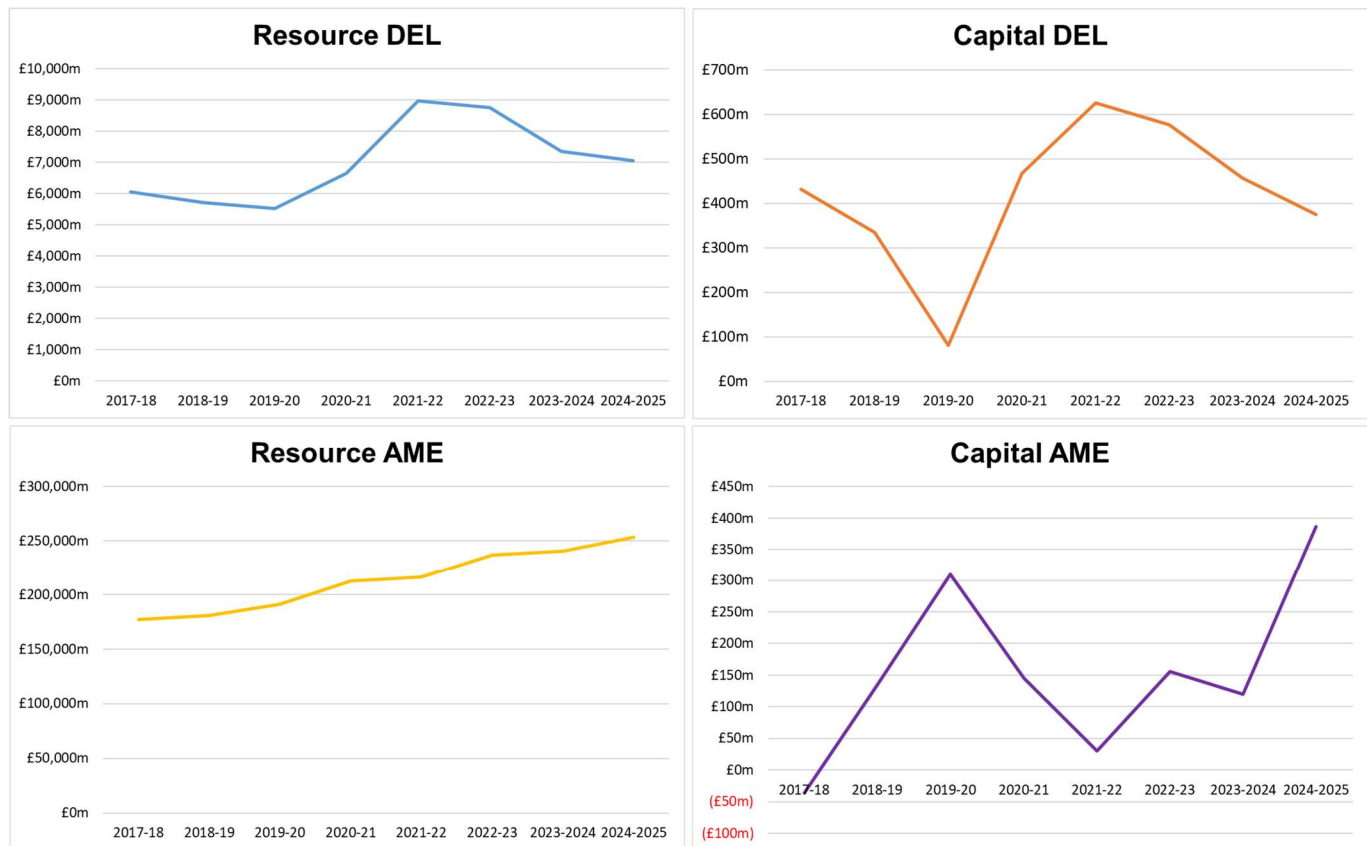
The Synergy programme is a business transformation initiative that will procure a new platform for the Department's finance and HR shared services. The programme replaces the current services provided by Shared Services Connected Limited (SSCL) with an Enterprise Resource Planning (ERP) system and Business Processing service for the Ministry of Justice, Department for the Environment, Food and Rural Affairs (DEFRA) and the Home Office.

The Department received funding of £20m for the Synergy programme within the 2022-23 Supplementary Estimate, as part of the £80m package agreed across the 2021 Spending Review (SR21) period. £5m of this funding was transferred to DEFRA for Synergy work they are delivering.

1.7 Spending trends

The charts below show overall spending trends for the last five years, plans presented in Estimates for 2022-23, and current future spending plans for SR21 to 2024-25. Below the charts are a series of explanations that describe the movements over time.

Figure 5: Spending Trends⁴



- **Resource DEL** – DWP RDEL has reduced in 2022-23 relative to 2021-22. The SR21 shows a continuation of this trend in 2023-24 and beyond. This reflects a reduction in spending as DWP scales back from COVID-19 activities and drives out efficiencies.
- **Capital DEL** – with the exception of Financial Transactions (Funeral Expense Payments and loans to the Office of Nuclear Regulation, National Employment Savings Trust and Fraud Compensation Fund) DWP's Capital DEL expenditure is predominantly non-recurrent investment within digital and estates costs, which increased significantly in prior years to support COVID-19 measures. Initial Capital DEL expenditure was reduced at the start of 2022-23 as DWP scaled back its investment to support COVID-19 activities. This trend continues over SR21, showing a further reduction in 2023-24 and 2024-25.
- **Resource AME** – Benefit expenditure has increased over the period shown in the charts above. This increase has been driven by the impacts of up-rating (the

⁴ Prior to the inclusion of UC Advances in 2017-2018, Capital AME only consisted of Social Fund net lending which was a negative figure because recoveries in-year exceeded payments out.

annual increase in most benefits), demographics (a growing and ageing population) and more recently COVID-19 and higher volume of claims. The largest element of the increase in previous years relates to State Pension. The basic and new State Pension increase by the highest of earnings growth, inflation or 2.5% in line with the Government's "triple lock", with the exception of 2022-23 where inflation of 3.1% was used. In 2022-23, increases to the UC forecast have contributed significantly to a rise in Resource AME.

- **Capital AME** – The increase in Capital AME in 2019-20 reflects the rise in UC advances and Support for Mortgage Interest loans during the COVID-19 pandemic. UC advances are forecasted by assuming the growth rate will be the same as the UC award growth rate. The 2022-23 Supplementary Estimate funding for UC Advances is lower than at Main Estimate because actuals have shown that the average UC advance amount has grown at a slower rate than the growth in UC awards. Economic recovery from COVID-19 followed by managed migration to UC lead to the forecast changes to 2025.

1.8 Administration costs and efficiency plans

Table 2: Administration budgets

Amounts sought in Supplementary Estimate 2022-23		Change compared to Main Estimate 2022-23		Change compared to Outturn 2021-22	
	£m	£m	%	£m	%
Administration costs	969.8	20.8	2.1	50.0	5.2

Within DWP, DEL administration relates to expenditure to maintain departmental infrastructure and provide necessary business services including improvements to digital services for users and customers. Administration as a proportion of DWP's Resource DEL expenditure is 11% of 2022-23 Supplementary Estimate Resource DEL.

Administration spend showed a 5.2% increase compared to the 2021-22 Outturn. This is driven by increases in Core Department (Subhead A), relating to the creation of a new ring fenced fund for the Synergy Programme and additional depreciation funding for the adoption of IFRS16. Administration costs have also risen due to inflation, however these pressures have been absorbed by general reductions in forecast expenditure.

1.9 Funding: Spending Review and Budgets

The levels of DEL funding for DWP for 2022-23 are based on plans published in SR21. Since that time, the Government has made a number of changes to 2022-23 spending plans including additional funding in the Spring and Autumn Statements,

budgets and transfers of funding between government departments. Details of funding changes are included by funding category in the Table at Annex C.

2 Spending detail

This section provides details of the following:

- Changes to DEL and AME funding from the 2022-23 Main Estimate (section 2.1).
- Estimate restructuring, including Machinery of Government changes (section 2.2).
- Ring-fenced funding movements compared to the 2022-23 Main Estimate and 2021-22 Outturn (section 2.3).
- Changes to contingent liabilities (section 2.4).

2.1 Explanations of changes in spending

Resource DEL

The table below shows how DWP's spending plans for Resource DEL at the Supplementary Estimate compare with the Main Estimate.

Table 3: Resource Departmental Expenditure Limits (Resource DEL) ^{5 6}

Resource DEL					
Subhead	Description	Supplementary Estimate 2022-23	Main Estimate 2022-23	Change compared to Main Estimate 2022-23	
		£m	£m	£m	%
	- Core department (including NIF)	6,393.8	6,356.7	37.1	0.6
	- NIF adjustment for 2022-23 charges	(444.2)	(498.7)	54.5	(10.9)
	- NIF adjustment for prior years	232.9	0.0	232.9	0.0
A	Core Department	6,182.5	5,858.0	324.5	5.5
B	Health and Safety Executive (Net)	161.2	150.2	11.0	7.3
C	Money and Pensions Service (Net)	154.7	167.8	(13.1)	(7.8)
D	Other Executive Arm's Length Bodies (Net)	111.1	117.1	(6.0)	(5.1)
E	Employment Programmes	749.0	888.6	(139.6)	(15.7)
F	Support for Local Authorities	211.6	212.5	(0.9)	(0.4)
G	Funding for Public Corporations	(8.6)	3.8	(12.4)	(327.8)
H	Other Benefits	963.8	979.6	(15.8)	(1.6)
	Charges for 2022-23 Admin	444.2	498.7	(54.5)	(10.9)
	Adjustment for prior years	(232.9)	0.0	(232.9)	0.0
I	National Insurance Fund - Core Department	211.3	498.7	(287.4)	(57.6)
J	Social fund	29.9	23.4	6.5	27.8
	total voted and non-voted	8,766.5	8,899.8	(133.3)	(1.5)

The major differences are explained below. These are referenced to the relevant Subhead in the table above.

⁵ Totals may not sum due to rounding

⁶ The administration of contributory NIF benefits is funded by the NIF and is therefore split out as non-voted funding (Subhead I), however the activity forms part of the core administration of the Department (see Subhead A).

A. Core Department – The movement in Core Department is mainly driven by a £287m adjustment due to the rebalancing of administrative activity between National Insurance Fund (NIF) and DWP benefits (see Subhead I for further details). Overall, core spend (prior to any adjustments for non-voted costs associated with the administration of NIF benefits) has increased by £37m. This includes a £108m increase in funding for depreciation and £90m digital savings in Service Excellence.

B. Health & Safety Executive – The increase reflects additional Building Safety Regulator (BSR) work agreed with and funded by the Department Levelling Up Housing and Communities.

C. Money and Pension Service (MaPS) – MaPS funding has reduced due to lower than forecasted demand and advice being sought and provided through other channels. These savings are mainly in Debt Advice services.

E. Employment Programmes – The reduction in funding is related to underspends in Restart and Access to Work schemes, due to contract re-negotiations and lower claim volumes. Restart has been expanded in 2022-23 and supports UC claimants who have been out of work for at least 9 months giving enhanced support to find jobs in their local area. Providers will work with employers, local government and other partners to deliver tailored support for individuals. Access to Work provides advice and a financial grant for practical support to overcome work related barriers due to disability and is available to customers with a disability who are in employment or with a job to start.

G. Funding for Public Corporations – DWP supports three Public Corporations. The Office for Nuclear Regulation and Pension Protection Fund have reduced their grant drawdown and interest rate rises have increased loan repayments from the National Employees Savings Trust.

I. National Insurance Fund – The amount of non-voted DEL funding to be received from HMRC in respect of the administration of contributory benefits in 2022-23 is £444m. This is a £54m reduction since Main Estimate following a revised forecast based on more recent (lower) unit cost data. In accordance with the Service Level Agreement signed by both Departments, this charge has been further reduced by £233m, reflecting that for previous years the final agreed costs were lower than those charged. The cost reductions resulted from the operational changes made during the Covid-19 Pandemic and a significant revision to the digital cost allocation model.

Capital DEL

The table below shows how spending plans for Capital DEL compare with the 2022-23 Main Estimate.

Table 4 Capital Departmental Expenditure Limits (Capital DEL) ⁷

Capital DEL					
Subhead	Description	Supplementary Estimate 2022-23	Main Estimate 2022-23	Change compared to Main Estimate 2022-23	
		£m	£m	£m	%
A	Core Department	352.2	628.1	(275.9)	(43.9)
B	Health and Safety Executive (Net)	15.1	21.0	(5.9)	(28.2)
C	Money and Pensions Service (Net)	12.6	9.2	3.3	36.1
D	Other Executive Arm's Length Bodies (Net)	10.7	5.4	5.3	97.2
E	Employment Programmes	0.0	0.0	0.0	0.0
F	Support for Local Authorities	0.0	0.0	0.0	0.0
G	Funding for Public Corporations	139.5	140.0	(0.5)	(0.4)
H	Other Benefits	0.0	0.0	0.0	0.0
I	National Insurance Fund - Core Department	0.0	0.0	0.0	0.0
J	Social fund	46.1	50.0	(3.9)	(7.8)
	Total	576.1	853.8	(277.7)	(32.5)

The difference in Capital DEL funding since Main Estimate is mainly driven by the £276m decrease in Core Department spend (Subhead A). Significant components of this decrease include the impact of IFRS 16 which reclassified revenue spent on leased items creating “right of use” capital assets. Changes on estates were less than originally expected due to the reprofiling of lease negotiations, which reduced required expenditure by £147m. Fraud Compensation Fund cases are now projected to be settled in future years, reducing the forecast by a further £74m. Forecasted spend for Workplace Transformation has also reduced by £80m due to programme replanning.

⁷ Totals may not sum due to rounding.

Resource Annually Managed Expenditure (AME)

In DWP, AME is primarily demand-led expenditure on social security and social assistance benefits. These cover a range of life events such as being out of work, retirement, disability, maternity and bereavement.

Over half of DWP AME is spent on contributory benefits, mainly State Pension, where entitlement is based on National Insurance contributions. A third of DWP's Resource AME is income-related, where entitlement is affected by the recipient's other income and capital. Examples of income-related benefits include UC and Pension Credit (PC).

The remainder of the benefit expenditure is neither contributory nor income related. The main area of spend of this type include Disability Living Allowance (DLA), PIP and Attendance Allowance. Additional details of individual benefits and eligibility requirements can be found on the [gov.uk](https://www.gov.uk) website.

In addition to benefit expenditure, Resource AME also includes non-cash expenditure relating to accounting treatment for impairments and provisions. Table 5 shows how spending plans for Resource AME compare with the Main Estimate.

Table 5: Resource AME

Subheads	Description	Supplementary Estimate 2022-23	Main Estimate 2022-23	Change from Main Estimate	
				£m	%
K, AD, N, AE	Incapacity Benefits ⁸	12,903.0	12,891.1	11.9	0.1
R, S, T, U	Disability & Carer Benefits	33,611.8	31,578.0	2,033.8	6.4
M, N, O, Y	Universal Credit and equivalent DWP benefits ⁹	53,183.3	49,288.3	3,895.0	7.9
P, Q, AF, AJ, Z, AL	Pensioner Benefits ^{10 11}	120,125.3	120,287.1	(161.8)	(0.1)
V	Housing Benefit	14,746.8	14,736.1	10.7	0.1
L, W, X, AG, AH, AI, AK, AA	Other benefits	4,865.0	4,394.6	470.4	10.7
AB	Other Items	22.3	0.1	22.2	22,200.0
AC	Cost of Living	5,742.2	5,655.4	86.8	1.5
N	Less items double-counted above (ESA non-contributory) ¹²	(8,162.6)	(7,968.1)	(194.5)	2.4
	Total voted and non-voted	237,036.9	230,862.6	6,174.3	2.7

Key drivers of spending changes since Main Estimate

Benefit expenditure

Funding for resource benefit expenditure has increased by £6,174.3m to £237,036.9m from Main Estimate to Supplementary Estimate.

The forecasts used for Supplementary Estimates are aligned to the latest OBR forecast products for the Autumn Statement 2022. These forecasts take into account the economic assumptions provided to DWP by OBR and include the latest management information in relation to volume of claims and average awards.

However, as benefit expenditure is demand-led, and therefore cannot be directly controlled, it is normal practice to add a margin at the Supplementary Estimate to mitigate against the risk of actual expenditure being greater than the latest central estimate.

⁸ Excluding UC spending estimated to be Employment and Support Allowance Equivalent.

⁹ Excluding Housing Benefit for people of working age. Including housing element of UC.

¹⁰ Excluding Housing Benefit for people over pension age.

¹¹ Includes Financial Assistance Scheme (FAS) benefit payments and movement in the FAS provision.

¹² Total does not sum to the above due to rounding and because non-contributory Employment and Support Allowance (ESA) being included in Incapacity benefits and in Universal Credit and equivalent benefits.

The changes seen across benefits are outlined below in detail. Overall, we are adding a 2.4% margin to the total Resource AME forecast, which is £5.5bn (89%) of the total movement from Main Estimate to Supplementary Estimate.

Main changes in Resource AME funding

Incapacity benefits¹³

Table 6: Incapacity benefits¹⁴

	Supplementary Estimate 2022-23	Main Estimate 2022-23	Change from Main Estimate	
	£m	£m	£m	%
Severe Disablement Allowance	59.5	58.9	0.6	0.9
Incapacity benefit	0.8	0.0	0.8	2,693.1
Employment and Support Allowance (non-contributory)	8,162.6	7,968.1	194.5	2.4
Employment and Support Allowance (contributory)	4,680.1	4,864.2	(184.1)	(3.8)
Incapacity benefits	12,903.0	12,891.1	11.9	0.1

Table 6 shows a breakdown of the movements on incapacity benefits. Overall, funding for incapacity benefits increased by 0.1% to £12,903m. There are three key reasons for the change.

Firstly, there has been an increase in non-contributory ESA of £194.5m, £158.3m of which is a result of the margin applied. At Supplementary Estimate the margins applied are 3% and 2% for contributory and non-contributory ESA, respectively, allowing for variability in the rate of migration to UC.

Secondly, contributory ESA has decreased by £184.1m (3.8%) due to lower than forecasted caseloads when compared with Main Estimate.

Finally, other incapacity benefits are closed to new claims, with forecasts gradually falling as caseloads reduce. Migration from Incapacity Benefit was due to complete in April 2022, but some claimants remain which adds uncertainty to the caseload. Caseload numbers are very small, so any deviations in off-flow from forecast have large percentage changes. For this reason, a margin of 50% has been included.

¹³ Excluding UC spending estimated to be Employment and Support Allowance equivalent.

¹⁴ Totals may not sum due to rounding.

Disability and carer benefits

Table 7: Disability and carer benefits^{15 16}

	Supplementary Estimate 2022-23	Main Estimate 2022-23	Change from Main Estimate	
	£m	£m	£m	%
Attendance Allowance	5,794.7	5,555.0	239.7	4.3
Personal Independence Payment	18,315.3	17,004.4	1,310.9	7.7
Disability Living Allowance	6,122.9	5,666.9	456.0	8.0
Carer's Allowance	3,378.9	3,351.7	27.2	0.8
Disability and carer benefits	33,611.8	31,578.0	2,033.8	6.4

Funding has increased by £2,033.8m from Main Estimate to Supplementary Estimate. Table 7 shows a breakdown of the movements on disability and carer benefits. The main reason for the increase is the margin of £942m being applied, including 3% for both PIP and DLA.

A margin of £529m has been included for PIP which is driven by two main areas of uncertainty. Firstly, there is a risk that the Cost of Living leads to increased claim volumes and, secondly, that any health effects also lead to higher claim volumes. The former may be time limited, whilst the latter may become a long-term driver. A margin of £178.3m has been applied to DLA as the demand for new child registrations may differ to the forecast. Attendance Allowance includes a 3% margin of £169m, which reflects uncertainty around a potentially higher volume of new awards due to the Cost of Living.

Other than the margin applied, the main driver for the increase in PIP is that new claim registration volumes continue to rise in 2022, likely driven by COVID-related health issues and Cost of Living pressures.

Finally, DLA rose due to increased child claims and also higher real-terms average awards for child inflows. In addition, the working age caseload was higher than previously forecast which is a result of improved forecasting methodology.

¹⁵ Totals may not sum due to rounding.

¹⁶ Figures disclosed for PIP include Armed Forces Independence Payments.

Universal Credit and equivalent DWP benefits¹⁷

Table 8: Universal Credit and equivalent DWP benefits¹⁸

	Supplementary Estimate 2022-23	Main Estimate 2022-23	Change from Main Estimate	
	£m	£m	£m	%
Universal Credit	44,096.5	40,468.7	3,627.8	9.0
Employment and Support Allowance (non-contributory)	8,162.6	7,968.1	194.5	2.4
Income Support	720.9	656.9	63.9	9.7
Jobseeker's Allowance (non-contributory)	203.4	194.5	8.9	4.6
Universal Credit and equivalent DWP benefits	53,183.3	49,288.3	3,895.0	7.9

Funding has increased by £3,895.0m when compared to Main Estimate and Table 8 shows a breakdown of the movements in Universal Credit and equivalent benefits. There are two key reasons for the movement since Main Estimate.

The increase is mainly caused by the inclusion of a margin of £2.3bn. A margin of 5% has been included for UC to mitigate against the uncertainty around increased levels of claims due to Cost of Living and Health Journey caseload¹⁹. There is also uncertainty around the impact that changes in the labour market may have on UC demand.

£158.3m has been included as a 2% margin for non-contributory ESA, as mentioned in the Incapacity Benefits section. This is due to the uncertainty surrounding the migration to UC. A 3% margin of £21m has been applied to Income Support due to uncertainty caused by migration to UC – as the benefit expenditure gets smaller due to lower caseloads, higher volatility of expenditure becomes more likely.

Secondly, UC funding overall has increased since Main Estimate due to an increase in both caseload and average awards. These increases are in turn driven by a rise in the number of Health cases.

¹⁷ Excluding Housing Benefit for people of working age.

¹⁸ Totals may not sum due to rounding.

¹⁹ The Health Journey is defined as those households where at least one person has been found to have either: i) Limited Capability for Work; ii) Limited Capability for Work and Work Related Activity; or iii) Be awaiting a Work Capability Assessment.

Pensioner benefits^{20,21,22}**Table 9: Pensioner benefits^{23 24}**

	Supplementary Estimate 2022-23	Main Estimate 2022-23	Change from Main Estimate	
	£m	£m	£m	%
Pension Credit	5,070.6	4,737.2	333.4	7.0
Financial Assistance Scheme (benefits only)	(1,611.8)	234.2	(1,846.0)	(788.2)
Winter Fuel Payments	4,587.4	4,566.1	21.3	0.5
Christmas Bonus (contributory)	126.2	125.2	1.0	0.8
State Pension	111,952.8	110,624.4	1,328.4	1.2
Pensioner benefits	120,125.3	120,287.1	(161.8)	(0.1)

Funding for pensioner benefits decreased by £161.8m (0.1%) and Table 9 shows a breakdown of the movements in pensioner benefits. The change is made up of 4 key elements.

The Financial Assistance Scheme (FAS) provision is calculated using a long-term cash forecast model in which cashflows are discounted using HM Treasury (HMT) discount rates to determine the present value. HMT's general provisions discount rate are updated each December and as a result the FAS provision has decreased by £1,846m since Main Estimate.

Secondly, an increase in PC arises from the combined effect of the PC take-up campaigns, Cost of Living and arrivals from Ukraine. All of these have resulted in a higher number of claims.

Thirdly, the net increase in State Pension of £1,328.4m is driven by changes to the State Pension forecast, provision for Home Responsibilities Protection (HRP) entitlement and, primarily, the application of the margin.

In addition to the margin applied for State Pension, a margin of 3% (£148m) is included in PC to account for continued uncertainty due to on-going Cost of Living impacts, increases in PC communications, and the behavioural impacts of these.

²⁰ Excluding Housing Benefit for people over pension age.

²¹ Includes FAS benefit payments and movement in provision.

²² Does not include other benefits paid to both pensioners and non-pensioners, such as bereavement benefits.

²³ Totals may not sum due to rounding

²⁴ State Pension includes both contributory and non-contributory benefits.

Housing Benefit

Table 10: Housing Benefit

	Supplementary Estimate 2022-23	Main Estimate 2022-23	Change from Main Estimate	
	£m	£m	£m	%
Housing Benefit	14,746.8	14,736.1	10.7	0.1

Funding for Housing Benefit is increased by £10.7m from Main Estimate to Supplementary Estimate. The increase is driven by the margin being applied. The margin added for Housing Benefit is £289.2m.

Housing Benefit is administered by Local Authorities and the financial outturn will be confirmed once all claims have been submitted. There is always a risk that final subsidy claims from councils will be higher than indicated by administrative data. In recent years some Local authorities returned their financial data later than in the past, leading to delays in the obtaining the Housing Benefit outturn figure. Spend inside the cap is also sensitive to economic changes and to the pace and composition of the build-up of UC. The forecast is heavily influenced by migration from legacy benefits to UC where migration timelines are uncertain. To account for these factors a margin of 2% has been applied.

Other benefits

Table 11: Other benefits ²⁵

	Supplementary Estimate 2022-23	Main Estimate 2022-23	Change from Main Estimate	
	£m	£m	£m	%
Industrial injuries benefits scheme	711.2	707.7	3.5	0.5
Statutory Maternity Pay	2,652.6	2,653.4	(0.8)	0.0
Christmas Bonus (non-contributory)	38.8	39.2	(0.4)	(1.0)
Cold Weather Payments	498.5	95.7	402.8	420.9
Maternity Allowance	390.4	351.7	38.7	11.0
Bereavement benefits	489.9	456.3	33.6	7.4
Jobseeker's Allowance (contributory)	91.1	90.1	1.0	1.1
Support for Mortgage Interest loans	(7.5)	0.4	(7.9)	(1,975.0)
Other Benefits	4,865.0	4,394.6	470.4	10.7

²⁵ Totals may not sum due to rounding.

Funding for other benefits has increased by £470.4m (10.7%). Table 11 shows a breakdown of the movements in other benefits.

There are three main drivers for this change, the largest is funding for Cold Weather Payments (CWP) which increased by £402.8m due to the inclusion of a margin of £433m. CWPs are inherently difficult to estimate. The CWP is set in the Supplementary Estimate at a level consistent with previous years. CWP spend in 2022-23 might be higher than in previous years due to the extreme weather conditions experienced across the country during December and which has triggered CWP eligibility in several new areas.

In addition to the £433m margin included for CWP, there are some smaller margins causing an increase in other benefits. 1%-2% has been added to Industrial Injuries Benefits because although inflows are currently forecast to dip, there is uncertainty on whether volumes may increase to pre-pandemic levels and there may be a potential increased capacity of health assessments impacting inflows. A 1% margin has been added to Statutory Maternity Pay as there is uncertainty driven by lack of recent outturn data and complexities of the Government Actuary's Department (GAD) reporting.

Finally, the increase was slightly impacted by maternity allowance, which has increased by £38.7m mainly due to higher-than-expected volumes, and bereavement benefits which increased by £33.6m.

Other Items

Other items falling within the categorisation of Resource AME have increased by £22.2m since the Main Estimate, mainly due to movement in provisions and the net foreign exchange loss on European Social Fund transactions.

Cost of Living Payments

Table 12: Cost of Living Payments (Pensioner Cost of Living Payments excluded)

	Supplementary Estimate 2022-23	Main Estimate 2022-23	Change from Main Estimate	
	£m	£m	£m	%
Cost of Living Payments	5,742.2	5,655.4	86.8	1.5

Cost of Living Payments have increased by £86.8m (1.5%). £33m of this increase is due to the margin included at Supplementary Estimate. The increase is also caused by caseload forecasts being updated since Main Estimate.

These payments are made to households in receipt of means-tested benefits and individuals in receipt of disability benefits, as part of the Government's measures to support the most vulnerable with the rising Cost of Living. The Pensioner Cost of Living Payment was delivered alongside existing Winter Fuel Payments, so is not captured here (see Table 9). Cost of Living Payments made by HMRC to legacy Tax Credit customers are also not included here.

Capital AME

Table 13: Capital AME²⁶

	Supplementary Estimate 2022-23	Main Estimate 2022-23	Change from Main Estimate	
	£m	£m	£m	%
Universal Credit Advances	129.5	298.7	(169.2)	(56.6)
Support for Mortgage Interest loans	26.3	26.7	(0.4)	(1.5)
Social Fund Net Lending	0.0	0.0	0.0	0.0
IFRS16 Adjustments	0.0	2.2	(2.2)	(100.0)
Capital AME	155.7	327.7	(171.9)	(52.5)

Capital AME has decreased by £171.9m to £155.7m from Main Estimate to Supplementary Estimate. Table 13 shows a breakdown of the movements in Capital AME.

The main reason for the decrease is the reduction in UC Advances due to lower average amounts for Advances (both new claim and budgetary) than previously forecasted. This is because average UC advance growth is forecasted based on average UC award growth, however recent data has shown that the average UC advance amount has grown at a slower rate than forecasted at Main Estimate. This likely reflects differences in the overall UC caseload and those receiving an advance which is mostly either new claims or those with budgetary or hardship needs.

2.2 Machinery of Government Changes

There were no Machinery of Government Changes.

2.3 Ring-fenced budgets

Elements of DWP's DEL funding are ring-fenced. Funding that is ring-fenced cannot be used to fund spending outside the ring fence although the ring fence is part of the overall DEL control totals.

To the extent the Department no longer plans to apply DEL ring-fenced funding in the current financial year the Department has returned funding to HMT in the Supplementary Estimate.

²⁶ Totals may not sum due to rounding.

Table 14: Ring-fenced Funding²⁷

Spending total Amount sought this year (Supplementary Estimate 2022-23)		Difference (+/-) compared to original budget this year (Main Estimate 2022-23)		Difference (+/-) compared to final outturn last year (Outturn 2021-22)	
	£m	£m	%	£m	%
Resource DEL					
Depreciation	592.7	108.8	22.5	337.3	132.1
Kickstart	232.0	(26.0)	(10.1)	(621.3)	(72.8)
Discretionary Housing Payments	97.3	(2.7)	(2.7)	(38.2)	(28.2)
Restart	455.4	(86.6)	(16.0)	111.6	32.5
Money & Pensions Service	123.8	(12.6)	(9.2)	(1.6)	(1.3)
Money & Pensions Service: Debt Advice	15.0	0.0	0.0	15.0	0.0
Official Development Assistance	6.0	0.0	0.0	(0.1)	(1.6)
Synergy	14.8	14.8	0.0	14.8	0.0
Household Support Fund	841.6	0.0	0.0	841.6	0.0
Reducing Parental Conflict	0.0	0.0	0.0	(9.9)	(100.0)
New Youth Offer	0.0	0.0	0.0	(36.5)	(100.0)
Job Finding Support	0.0	0.0	0.0	(7.8)	(100.0)
SWAPs	0.0	0.0	0.0	(10.8)	(100.0)
JETs	0.0	0.0	0.0	(158.8)	(100.0)
JETs Extension	0.0	0.0	0.0	(18.9)	(100.0)
MAPS: COVID 19	0.0	0.0	0.0	(22.3)	(100.0)
HSE: COVID 19	0.0	0.0	0.0	(22.2)	(100.0)
Total Resource DEL	2,378.6	(4.3)	(0.2)	371.8	18.5
Capital DEL					
Financial Transactions:					
- NEST Loan	138.0	0.0	0.0	27.6	25.0
- Fraud Compensation Fund	0.0	(74.0)	(100.0)	0.0	0.0
- ONR Loan	1.5	(0.5)	(25.0)	1.5	0.0
- Funeral Expense Payments	46.1	(3.9)	(7.8)	(2.4)	(4.9)
Research & Development	3.7	(1.3)	(26.1)	3.7	0.0
Health & Safety Executive	5.0	0.0	0.0	(6.7)	(57.2)
Money & Pensions Service	12.6	4.6	57.0	12.4	7,951.7
Total Capital DEL	206.9	(75.1)	(26.6)	36.1	21.1
Total DEL Ringfence	2,585.4	(79.5)	(3.0)	407.9	18.7

²⁷ Amounts/percentages may not sum due to rounding.

2.4 Changes to contingent liabilities

The following contingent liabilities have been added to the 2022-23 Supplementary Estimate. These are contingent liabilities that were not known at the time of the 2022-23 Main Estimate and were first recognised in the 2021-22 Annual Report and Accounts.

- Contractual dispute brought by Independent Assessment Services.
- Disputed digital costs associated with the Scottish Devolution Programme.
- Correction of benefit underpayments due to official error.

A contingent liability has been removed regarding the potential impacts of the transfer of State Pension entitlements to Pension Scheme for Officials and Servants of Community Institutions. This is no longer required due to the assessed immaterial impact of crystallisation.

3 Priorities and performance

3.1 How spending relates to objectives

The table below shows how expenditure against each Subhead contributes to Departmental priorities under the Single Departmental Plan:

Table 15: Linking Subhead Sections to Departmental Priorities

		Maximising employment and in-work progression	Improving people's quality of life	Delivering excellent services for citizens and taxpayers
A	Core Department	✓	✓	✓
B	Health and Safety Executive (Net)	✓	✓	✓
C	Money and Pensions Service (Net)		✓	✓
D	Other Executive Arm's Length Bodies (Net)		✓	✓
E	Employment Programmes	✓	✓	✓
F	Support for Local Authorities		✓	✓
G	Funding for Public Corporations		✓	✓
H	Other Benefits		✓	✓

3.2 Measures of performance against each priority

DWP's Departmental Plan sets out the following core objectives, and measures of performance, for DWP for 2022-23.

1. Maximising employment and in-work progression
 - Employment rate of 16-64 year olds. UK and regional
 - Employment rate of 16-24 year olds. UK and regional
 - Number of participants in Kickstart
 - Movement into work for participants of the core UC conditionality regime
 - Starts on Restart, JETS and SWAPs
 - Disability employment rate gap
2. Improving people's quality of life
 - Absolute poverty before housing costs

- Number of children in workless households
 - Percentage of claims processed within planned timescales
 - Number of people automatically enrolled in workplace pensions
3. Delivering excellent services for citizens and taxpayers
- Gross monetary value of fraud and error (by value and proportion)
 - Monetary value of official error
 - Percentage of claimants satisfied with DWP services overall

3.3 Major projects

Throughout 2022-23 DWP had the following projects on the Government Major Projects Portfolio (GMPP).

- **Universal Credit:** UC replaces six benefits and tax credits for working age people, bringing together in and out of work systems into one to make work pay. When fully rolled out it is expected that up to 7 million households will benefit from UC.
- **Health Transformation Programme:** The Health Transformation Programme will transform the health and disability services we provide for people with disabilities and health conditions; looking at opportunities to re-shape assessment services and realise tangible improvements.
- **Pensions Dashboard Programme:** Established by the Money and Pensions Service, an arms-length body of DWP, the programme's vision is: "To enable individuals to access their pensions information online, securely and all in one place, thereby supporting better planning for retirement and growing financial wellbeing." The programme is estimated to run from 2019-2025 and is working closely with the pensions industry to deliver a dashboards service in the UK.
- **The Building Safety Regulator** - The Building Safety Regulator, under One HSE, will lead the regulatory regime to protect people and places in all forms of buildings, across England. The Building Safety Regulator will have three key functions:
 - A. leading the implementation of the new, more stringent regulatory regime for higher risk residential buildings in scope;
 - B. promoting competence among industry professionals and regulators who have key roles in delivering safe, high-performing buildings;
 - C. oversight of the building safety and performance system.
- **Synergy** - The Department for Environment, Food & Rural Affairs (DEFRA), Department for Work and Pensions (DWP), Home Office (HO) and Ministry of Justice (MOJ) are collaborating together in a cluster to achieve the Government's Shared Services Strategy by transforming shared services to make them smarter, swifter and more streamlined. Synergy is a business transformation programme to replace the current services provided by Shared Services Connected Limited (SSCL) and focusing simplifying and aligning processes, data systems and services, to transform our users' experiences and drive interoperability between

departments, resulting in increased productivity and value for money, provided through a single Software as a Service (SaaS) Enterprise Resource Planning (ERP) platform and business process service. The four departments have committed to working as a single cluster with departments responsible for their departmental transformations.

- **Workplace Transformation** - Workplace Transformation (WT) is a 10-year programme to support the change to the Department's operating model, consolidate the estate to the right size and shape and provide more flexible, efficient and better quality sustainable buildings in alignment with the Government's greening commitments, Places for Growth, levelling up the economy and Building Back Better. It will deliver far more than estates modernisation, fundamentally reshaping our support to customers, how we work, where we work and when we work, helping to make DWP a great place to work. WT requires significant capital investment but will deliver huge financial and social benefits by consolidating and improving our workplace with a direct positive impact on customer experience and outcomes.

Funding for implementation of these projects, except for the Building Safety Regulator, is provided under Subhead A - Core Department. Funding for the Building Safety Regulator is provided under Subhead B - Health & Safety Executive (Net).

The Infrastructure and Projects Authority (IPA) reports on the delivery of major projects annually. Its latest report on the Department's projects can be found [here on gov.uk](#). Please note the latest data published by IPA reflects data to March 2022.

4 Accounting Officer Approval

This Memorandum has been prepared according to the requirements and guidance set out by the House of Commons Scrutiny Unit, available on the Scrutiny Unit [website](#).

The information in this Estimate's Memorandum has been approved by myself as Departmental Accounting Officer.

Peter Schofield

Accounting Officer

Permanent Secretary

Department for Work and Pensions

03 February 2023

Annex A: Departmental Expenditure Limits²⁸

Subhead	Description	Resource DEL				Capital DEL			
		Supplementary Estimate 2022-23	Main Estimate 2022-23	Change from Main Estimate 2022-23		Supplementary Estimate 2022-23	Main Estimate 2022-23	Change from Main Estimate 2022-23	
		£m	£m	£m	%	£m	£m	£m	%
A	Core Department	6,182.5	5,858.0	324.5	5.5	352.2	628.1	(275.9)	(43.9)
B	Health and Safety Executive (Net)	161.2	150.2	11.0	7.3	15.1	21.0	(5.9)	(28.2)
C	Money and Pensions Service (Net)	154.7	167.8	(13.1)	(7.8)	12.6	9.2	3.3	36.1
D	Other Executive Arm's Length Bodies (Net)	111.1	117.1	(6.0)	(5.1)	10.7	5.4	5.3	97.2
E	Employment Programmes	749.0	888.6	(139.6)	(15.7)	0.0	0.0	0.0	0.0
F	Support for Local Authorities	211.6	212.5	(0.9)	(0.4)	0.0	0.0	0.0	0.0
G	Funding for Public Corporations	(8.6)	3.8	(12.4)	(327.8)	139.5	140.0	(0.5)	(0.4)
H	Other Benefits	963.8	979.6	(15.8)	(1.6)	0.0	0.0	0.0	0.0
I	National Insurance Fund - Core Department	211.3	498.7	(287.4)	(57.6)	0.0	0.0	0.0	0.0
J	Social fund	29.9	23.4	6.5	27.8	46.1	50.0	(3.9)	(7.8)
	Total	8,766.5	8,899.8	(133.3)	(1.5)	576.1	853.8	(277.7)	(32.5)

²⁸ Totals may not sum due to rounding.

Annex B: Annually Managed Expenditure²⁹

Subhead	Description		2022-23 Supplementary Estimate sought	2022-23 Main Estimate budget approved	2022-23 Change from Main Estimate	
Resource			£m	£m	£m	%
K, AD, N, AE	Incapacity benefits	<i>Severe Disablement allowance</i>	59.5	58.9	0.6	0.9
		<i>Incapacity benefit</i>	0.8	(0.0)	0.8	2,693.1
		<i>Employment and Support Allowance (non-contributory)</i>	8,162.6	7,968.1	194.5	2.4
		<i>Employment and Support Allowance (contributory)</i>	4,680.1	4,864.2	(184.1)	(3.8)
	sub total		12,903.0	12,891.1	11.9	0.1
R, S, T, U	Disability and carer benefits	<i>Attendance Allowance</i>	5,794.7	5,555.0	239.7	4.3
		<i>Personal Independence Payment</i>	18,315.3	17,004.4	1,310.9	7.7
		<i>Disability Living Allowance</i>	6,122.9	5,666.9	456.0	8.0
		<i>Carer's Allowance</i>	3,378.9	3,351.7	27.2	0.8
	sub total		33,611.8	31,578.0	2,033.8	6.4
M, N, O, Y	Universal Credit and equivalent DWP benefits	<i>Universal Credit (all)</i>	44,096.5	40,468.7	3,627.8	9.0
		<i>Employment and Support Allowance (non-contributory)</i>	8,162.6	7,968.1	194.5	2.4
		<i>Income Support</i>	720.9	656.9	63.9	9.7
		<i>Jobseeker's Allowance (non-contributory)</i>	203.4	194.5	8.9	4.6
	sub total		53,183.3	49,288.3	3,895.0	7.9
P, Q, AF, AJ, Z, AL	Pensioner benefits	<i>Pension Credit</i>	5,070.6	4,737.2	333.4	7.0
		<i>Financial Assistance scheme</i>	(1,611.8)	234.2	(1,846.0)	(788.2)
		<i>Winter fuel payments</i>	4,587.4	4,566.1	21.3	0.5
		<i>Christmas bonus (contributory)</i>	126.2	125.2	1.0	0.8
		<i>State Pension (contributory)</i>	111,741.4	110,353.1	1,388.3	1.2
		<i>State Pension (non-contributory)</i>	211.4	271.3	(59.8)	(22.0)
	sub total		120,125.3	120,287.1	(161.8)	(0.1)

²⁹ Totals do not sum due to rounding and because non-contributory Employment and Support Allowance is included in both Incapacity benefits and in Universal Credit and equivalent benefits.

V	Housing Benefit	Housing benefit (All)	14,746.8	14,736.1	10.7	0.1
	sub total		14,746.8	14,736.1	10.7	0.1
L, W, X, AG, AH, AI, AK, AA	Other benefits	Industrial injuries benefits schemes	711.2	707.7	3.5	0.5
		Statutory Maternity Pay	2,652.6	2,653.4	(0.8)	0.0
		Christmas bonus (non contributory)	38.8	39.2	(0.4)	(1.0)
		Cold weather payments	498.5	95.7	402.8	420.9
		Maternity Allowance	390.4	351.7	38.7	11.0
		Bereavement payments	489.9	456.3	33.6	7.4
		Jobseeker's Allowance (contributory)	91.1	90.1	1.0	1.1
		Support for Mortgage Interest Loans	(7.5)	0.4	(7.9)	(1,975.0)
		sub total		4,865.0	4,394.6	470.4
	AB	Cost of Living Support Payments	Cost of Living Payments	5,742.2	5,655.4	86.8
sub total		5,742.2	5,655.4	86.8	1.5	
AC	Other items	Other items	22.3	0.1	22.2	22,200.0
	Total voted and non voted		245,199.7	238,830.7	6,369.0	2.7
N	less items double counted above	Employment and Support Allowance (non-contributory)	(8,162.6)	(7,968.1)	(194.5)	2.4
	sub total		(8,162.6)	(7,968.1)	(194.5)	2.4
	Total RAME		237,036.9	230,862.6	6,174.3	2.7
Capital						
M, AA, AG	AME Capital	Universal Credit Advances	129.5	298.7	(169.3)	(56.6)
		Support for Mortgage Interest Loans	26.3	26.7	(0.4)	(1.5)
		Social Fund Net Lending	0.0	0.0	0.0	0.0
		IFRS16 adjustments	0.0	2.2	(2.2)	(100.0)
	sub total		155.7	327.7	(171.9)	(52.5)
	Total CAME		155.7	327.7	(171.9)	(52.5)

Annex C: Summary of Changes to DEL Funding since Spending Round 2021

Description	Administration	Programme	Total Resource	Capital
	£m	£m	£m	£m
Spending Round 2021 funding for 2022-23	960.7	6,880.5	7,841.2	621.0
Spring Statement 2022 funding for 2022-23	0.0	141.1	141.1	4.0
Cost of Living funding for 2022-23	0.0	420.8	420.8	0.0
Other funding changes at Main Estimate 2022-23	(11.7)	508.4	496.7	228.8
Funding at Main Estimate 2022-23	949.0	7,950.8	8,899.8	853.8
Funding adjustments included in Supplementary Estimate 2022-23:				
Cash forecasting rebate	1.7	0.0	1.7	0.0
Depreciation	13.5	95.3	108.8	0.0
Budget exchange of RDEL/CDEL underspends	(9.5)	(74.6)	(84.1)	(128.1)
Reserve Claims:				
Synergy	20.0	0.0	20.0	0.0
Handbacks				
Funding in support of Ukraine	0.0	0.0	0.0	(11.5)
National Insurance Contributions funding	0.0	(15.6)	(15.6)	0.0
Handback of CDEL underspends	0.0	0.0	0.0	(60.0)
Reductions in Policy Ringfences:				
Fraud Compensation Fund	0.0	0.0	0.0	(74.0)
Restart	0.0	(86.6)	(86.6)	0.0
Kickstart	0.0	(26.0)	(26.0)	0.0
Money and Pensions Service	0.0	(12.6)	(12.6)	0.0
Discretionary Housing Payments	0.0	(2.7)	(2.7)	0.0
Research and Development	0.0	0.0	0.0	(1.3)
ONR Capital Loan	0.0	0.0	0.0	(0.5)
Funeral Expense Payments	0.0	0.0	0.0	(3.9)
Funding transfers with other government departments				
From DFC Project investment costs	0.0	0.1	0.1	0.0
From DHSC EHIE Work and Health Joint Funded Projects	0.0	1.1	1.1	0.0
From HMRC Delivery of UC	0.0	1.5	1.5	0.0
From DLUHC Building Safety Regulator	0.0	6.9	6.9	1.5
From Home Office initiatives in support of Ukraine	0.0	5.0	5.0	0.0
From DLUHC Homeless Grant	0.0	0.0	0.0	0.0
From DHSC Shared Outcome Fund	0.3	0.0	0.3	0.1
From Cabinet Office Government Data Exchange project	0.0	0.4	0.4	0.0
To HMCTS PIP/DLA	0.0	(23.5)	(23.5)	0.0
To DHSC Individual Personal Support	0.0	(1.5)	(1.5)	0.0
To DHSC Employment Policies	0.0	(21.0)	(21.0)	0.0
To Welsh Gov - IPS Wales	0.0	(0.5)	(0.5)	0.0
To DEFRA Synergy funding	(5.2)	0.0	(5.2)	0.0
To Cabinet Office SpAds Severance and ATS system	(0.0)	0.0	(0.0)	0.0
Supplementary Estimate 2022-23	969.8	7,796.7	8,766.5	576.1

Annex D: Departmental Expenditure Limit 2014-15 to 2022-23 ³⁰

	Limit	Outturn	Variance
	£m	£m	£m
<u>Administration</u>			
2014-15 Outturn	1,208	894	314
2015-16 Outturn	1,058	837	221
2016-17 Outturn	942	880	62
2017-18 Outturn	899	799	100
2018-19 Outturn	845	780	65
2019-20 Outturn	912	797	115
2020-21 Outturn	963	911	52
2021-22 Outturn	928	920	8
2022-23 Supplementary Estimate	970		
<u>Resource</u>			
2014-15 Outturn	7,217	7,152	65
2015-16 Outturn	6,508	6,476	32
2016-17 Outturn	6,260	6,161	100
2017-18 Outturn	6,238	6,108	128
2018-19 Outturn	6,044	5,967	77
2019-20 Outturn	5,905	5,883	22
2020-21 Outturn	6,932	5,751	1,181
2021-22 Outturn	9,180	8,972	208
2022-23 Supplementary Estimate	8,767		
<u>Capital</u>			
2014-15 Outturn	281	249	32
2015-16 Outturn	227	184	43
2016-17 Outturn	307	292	15
2017-18 Outturn	501	432	68
2018-19 Outturn	375	334	41
2019-20 Outturn	195	81	114
2020-21 Outturn	644	468	176
2021-22 Outturn	635	626	9
2022-23 Supplementary Estimate	576		

³⁰ Data above is sourced from the Department of Work and Pensions Annual Reports and Accounts for each financial year up to and including 2021-22.

Annex E: Key Terms

Departmental Expenditure Limit (DEL)

Spending within the Department's direct control which can therefore be planned over an extended period, such as the costs of its own administration, payments to third parties e.g. within Employment Programmes, Housing Benefit administration subsidies to Local Authorities, and the European Social Fund.

Annually Managed Expenditure (AME)

In the Department for Work and Pensions, Annually Managed Expenditure is primarily demand led expenditure on social security and social assistance benefits. Annually Managed Expenditure spending does not fall within the Departmental Expenditure Limit. It is generally less predictable and controllable than expenditure in Departmental Expenditure Limit.

Voted Funds

Parliament consents in principle to the use of public funds through legislation to enable specified policies. It approves use of public resources to carry out those policies year by year as defined by the specific ambits of the Department by 'voting' on the published Parliamentary Supply Estimates in the House of Commons.

Non-Voted Funds

Although such expenditure appears in the Departmental Estimate it is not voted by Parliament but may nevertheless fall within the budget and/or accounts. This expenditure mainly relates to Contributory Benefits such as Contributory Retirement Pensions and Employment and Support and Jobseeker's Allowances which are financed from the National Insurance Fund.

Budget and Non-Budget Funds

The terms Budget and Non-Budget funds apply to whether the funds impact the HMT Budgetary Controls. Funds specified as Budget will impact HMT controls whereas funds defined as Non-Budget will not impact HMT controls. Items covered within this include Social Fund expenditure such as Cold Weather Payments.