

## Budget Report Summary, Financial Year 2020/21

February 2021

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### **Executive Summary**

At the end of February the year end position is still forecasting an increased surplus. The fee income received has exceeded the target for Feb by ~ £900k and looks to continue to be strong into March.

Within the costs there are budget lines that are showing continued underspends year to date. These are assumed now to generate the savings by the end of the year. There is an additional cost factored into the staffing costs to take account of the assumed increase in the year end provision for untaken leave.

The increase in income and continued underspends are leading to a full year position of a surplus of ~ £2.1m. The final position will be dependant on the final month of fee income.

## February 2021

	Year To Date			Full Year	Year end
	Budget £	Actual £	Variance £	Budget £	Forecast £
Grants and other income	5,851,213	5,852,931	1,718	6,380,542	6,380,542
DP fee Income	44,995,800	45,932,676	936,876	51,600,000	52,536,876
<b>Income to date</b>	<b>50,847,013</b>	<b>51,785,607</b>	<b>938,594</b>	<b>57,980,542</b>	<b>58,917,418</b>
TOTAL OFFICE COSTS	3,750,881	3,539,025	211,856	4,092,090	4,092,090
TOTAL STAFF COSTS	38,632,002	37,918,265	713,737	42,310,081	42,937,205
TOTAL TRAINING AND RECRUITMENT	966,404	602,377	364,027	1,173,802	863,816
TOTAL IT COSTS	4,554,842	3,774,880	779,962	5,264,836	5,264,836
TOTAL PROJECT SPEND	560,087	737,593	177,506	661,000	721,000
TOTAL COMMUNICATIONS	393,364	222,890	170,474	508,933	352,890
TOTAL FINANCIAL COSTS	120,584	116,215	4,369	192,501	192,501
TOTAL TRAVEL	54,493	44,185	10,308	56,243	44,185
TOTAL LEGAL, PROFESSIONAL & OTHER	1,970,460	1,465,195	505,265	2,781,519	2,311,783
<b>TOTAL COSTS</b>	<b>51,003,117</b>	<b>48,420,625</b>	<b>2,582,492</b>	<b>57,041,005</b>	<b>56,780,306</b>
<b>Forecast Surplus</b>				<b>939,537</b>	<b>2,137,112</b>

## **Income**

### DP Income

The fee income for the month of February has exceeded the target by over £900k. The year to date fee income is as follows by month

Month	Fees Collected
April	3,439,542
May	3,952,581
June	3,674,516
July	3,541,296
August	3,202,372
September	3,824,515
October	4,137,540
November	3,961,793
December	4,564,227
January	5,417,131
February	6,217,164

For the month of March the fee income target is £6.6m. This will be closely monitored through the month. The current forecast is that the target will be achieved at the month end. If this target is exceeded this will further improve the year end surplus.

The Grant in Aid & Other income covers Freedom of Information (FOI) - £4m, (NIS) - £500k, electronic identification and trust services (eIDAS), Investigatory Powers Act (IPA) - £330k and additional pension funding of £1.4m. These sums have already been paid in full to assist with any potential cash flow risk associated with Covid-19.

## **Expenditure**

We are currently forecasting some continued underspends at the year end which is now reflected within the full year out turn position. There is also an increase in expected staff costs reflected the assumed provision increase due to untaken leave at year end. A summary by each area of spend is detailed below

**Office Costs** – this are forecast to be at the budget by the year end

**Staff Costs** – these are forecast to exceed budget. Due to Covid and lockdown we are forecasting that at the end of march there will be an increase liability of untaken leave. Staff have the option to sell leave where appropriate, we also need to ensure that there is a provision to cover the remaining liability.

**Training and Recruitment** – there will be savings made at the year end against training costs due to continued training on line. There are also savings against the amount payable with respect of the apprenticeship levy.

**IT spend & Project spend** – this is forecast to marginally increase the forecast by the year end. This is a reflection of some increase hardware spend at the year end

**Communications spend** - Due to seminars and conferences being pushed back during Covid, significant savings have been made

### **Legal, Professional and Other**

External professional fees have reduced significantly during COVID. Professional fees have been impacted by a delay in the AADC project which may fall into the next financial year.

The total spend across legal is heavily dependant on the view of the legal case load and litigation risk.

### **End of year forecast**

The year end is currently budgeted to generate a surplus circa £2.1k. This could move subject to March DP fee income