

# Finance Report Summary, Financial Year 2018/19

## January 2019

Description	YTD	April	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	YTD	F	M	Remaining Budget	Budget	YEAR END
	RAG RATING	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			£'000	£'000	RAG RATING
DP FEE INCOME	G	1,901	2,995	3,583	3,293	3,241	3,308	4,335	3,430	2,449	3,497	32,032			7,529	39,561	G
GRANT IN AID	G	313	313	395	313	313	395	313	313	541	413	3,619			1,007	4,626	G
OTHER INCOME	G	0	0	0	0	4	1	1	1	1	1	9			120	129	G
OFFICE COSTS	G	133	148	183	139	195	144	156	179	147	176	1,600			626	2,226	G
STAFF COSTS	G	1,752	1,849	1,926	2,091	2,763	2,347	2,499	2,467	2,473	2,657	22,826			6,192	29,018	G
TRAINING AND RECRUITMENT	G	49	188	82	128	145	60	120	129	86	117	1,103			161	1,264	G
IT COSTS	G	224	223	254	176	194	503	234	391	244	357	2,800			750	3,550	G
PROJECT SPEND	G	103	76	175	129	60	128	-266	126	189	7	726			624	1,350	G
COMMUNICATIONS	G	169	30	56	38	45	41	36	56	106	59	634			155	789	G
FINANCIAL COSTS	G	20	3	3	13	22	13	6	14	6	13	113			11	124	G
TRAVEL	R	50	63	76	56	20	71	76	122	82	107	722			21	743	R
LEGAL, PROFESSIONAL & OTHER	A	364	351	159	323	186	275	201	319	372	505	3,055			148	3,203	A
															-		
CAPITAL SPEND	G	-	-	-	-	-	-	389	17	0	166	571			79	650	G
SURPLUS		-789	379	1,064	372	-212	-19	1,057	-216	1,026	-223	1,507				-	G
CASH BALANCE	G	1,950	2,561	4,383	3,562	3,471	3,790	4,604	4,648	4,165	3,264						G

Key	RAG RATING
On track	G
Not on track but expected to be at budget at year end	A
Not expected to be at budget at year end	R

## Executive Summary

### Income

The current actual DP fee remains close to projections (within 1%) and as such the final year outturn remains at £39.6m. We continue to monitor the income, very closely and using the register growth as a guide (depending on the level of non/late payments and mitigations by the recovery team) we expect to recover the full year forecasted amount as a minimum, with over recovery more likely as we have been extremely prudent with our March forecast which is historically a peak time for DP fee collection.

There are no concerns as to the recovery of other income as this represents all of our secured Grant in Aid funding, Regulatory Pioneers funding and Telephone Preferences Service management changes.

### Income actuals vs budget per month

Month	BUDGET 2018/19	2018/19 Income Forecast (updated Oct 2018)	2018/19 Actual	Variance to Budget
April	1,700	1,901	1,901	-
May	1,980	2,995	2,995	-
June	2,850	3,583	3,583	-
July	2,830	3,293	3,293	-
August	2,830	3,241	3,241	-
September	3,140	3,308	3,308	-
October	3,260	4,335	4,335	-
November	3,150	3,457	3,430	-27
December	2,100	2,302	2,449	147
January	3,660	4,013	3,497	-516
February	3,250	3,568	-	-
March	3,530	3,564	-	-
<b>Total</b>	<b>34,280</b>	<b>39,560</b>	<b>32,032</b>	<b>-396</b>

### Expenditure

Most expenditure is tracking to budget within our 10% tolerance level, however IT Projects are indicating an underspend year to date. This is largely due to the timings of certain bodies of work meaning that expenditure will be focussed around the final quarter of the year and no significant underspend is expected. Any immaterial underspend will be used to cover the travel overspend.

Travel is looking to exceed expenditure projections and is not expected to slow down towards the year end. Current forecasts suggest that the expenditure will be closer to £867k, an overspend of £124k (17%). This overspend will either be netted off against pockets of savings elsewhere or fall within the 1% of income target set by DCMS.

There is an ongoing cost associated with our investigatory work, the highest risk being across ongoing litigation costs and professional fees. These costs should be covered by existing budgets however without tight control there is danger that the costs escalate in the final two months of the financial year.

## MANAGEMENT REPORT

### For the Ten Months Ending 31 January 2019

	Year to Date			Full Year Forecast £
	Budget £	Actual £	Variance £	
FOI GRANT IN AID	3,125,000	3,125,000	0	3,750,000
NIS GRANT IN AID	200,000	200,000	0	500,000
REGULATORY PIONEERS FUND	0	0	0	117,414
eIDAS	46,000	46,000	0	46,000
DP FEE INCOME	32,428,455	32,032,121	-396,334	39,560,868
IPA INCOME	247,500	247,500	0	330,000
TPS MANAGEMENT INCOME	9,423	9,421	2	11,780
BANK INTEREST	0	360	360	0
<b>TOTAL INCOME</b>	<b>36,056,378</b>	<b>35,659,682</b>	<b>396,696</b>	<b>44,316,062</b>
<b>OFFICE COSTS</b>	1,707,566	1,600,384	107,182	2,225,505
<b>STAFF COSTS</b>	22,828,721	22,826,337	2,384	29,018,254
<b>TRAINING AND RECRUITMENT</b>	1,050,151	1,103,286	-53,135	1,264,178
<b>IT COSTS</b>	2,967,333	2,800,730	166,603	3,550,000
<b>PROJECT SPEND</b>	1,125,000	726,352	398,648	1,350,000
<b>COMMUNICATIONS</b>	693,371	634,162	59,208	789,000
<b>FINANCIAL COSTS</b>	105,583	113,353	-7,770	123,500
<b>TRAVEL</b>	619,863	722,148	-102,285	742,835
<b>LEGAL, PROFESSIONAL &amp; OTHER</b>	2,626,533	3,055,457	-428,923	3,202,790
<b>TOTAL COSTS</b>	<b>33,724,122</b>	<b>33,582,210</b>	<b>141,912</b>	<b>42,266,062</b>
<b>CAPITAL SPEND</b>	<b>541,633</b>	<b>570,755</b>	<b>29,122</b>	<b>650,000</b>
<b>OPERATING SURPLUS</b>	<b>1,790,623</b>	<b>1,506,717</b>	<b>283,906</b>	<b>1,400,000</b>
<b>GIA PROGRAMME 1819 ADVANCE</b>	<b>1,120,000</b>	<b>1,120,000</b>	<b>0</b>	<b>1,400,000</b>
<b>SURPLUS</b>	<b>670,623</b>	<b>386,717</b>	<b>283,906</b>	<b>0</b>

## **Cash Flow**

Cash flow is forecast is based on the budgeted timings of cash in and out of the business. Whilst we expect there to be changes as the budget evolves, we do not foresee any material issues with our cash flow.

The largest fluctuations in our cash flow tend to occur due to payment of large Civil Monetary Penalties from Data Breaches etc and on a lesser scale, fines from non-payment of fees and the quarterly consolidated payment to DCMS made up of those fines that the ICO cannot retain.

**February 2018**