

Budget Report Summary, Financial Year 2020/21

January 2021

Executive Summary

As at the end of January the year end position is still forecasting a moderate surplus. The fee income is tracking to the revised budget and is anticipated to continue to do so by the end of the year.

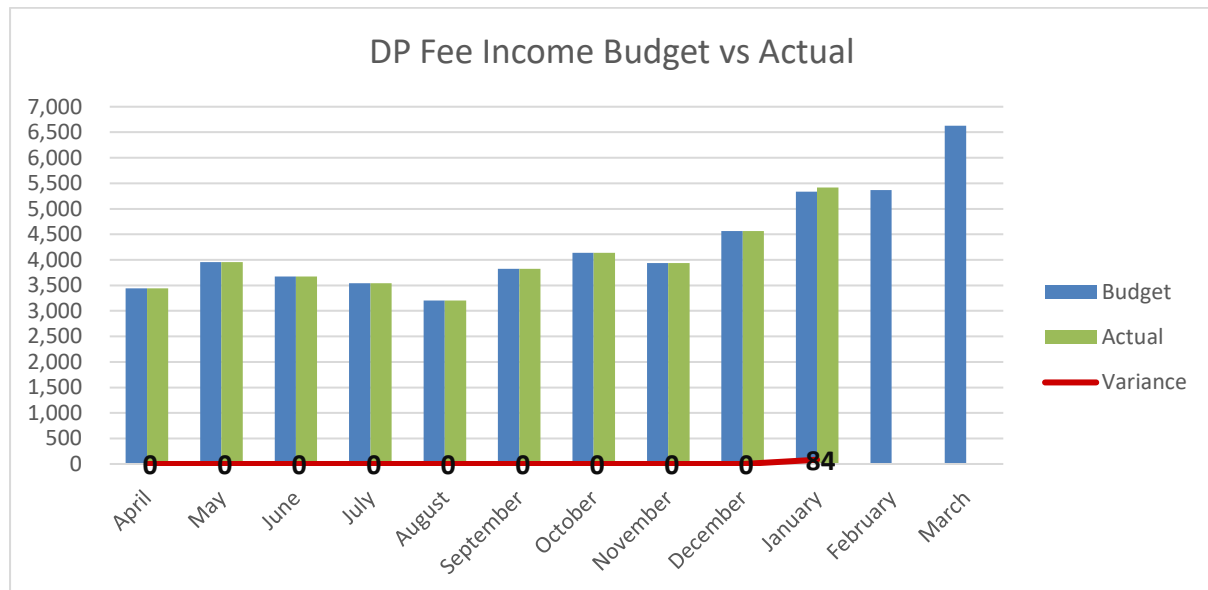
Within the costs there are budget lines that are showing continued underspends year to date. These are being reviewed and monitored along with the tracking of the fee income. Any impact on the final year end position will be reflected in subsequent budget reports

For the ten months Ending 31 January 2021

	Year To Date				Remaining	Full Year	Full Year
	Budget £	Actual £	Variance £	Var % %	Budget £	Budget £	Forecast £
GRANTS & OTHER	5,321,879	5,323,587	1,708	0.0%	1,056,955	6,380,542	6,380,542
DP FEE INCOME	39,627,500	39,715,513	88,013	-0.2%	11,884,487	51,600,000	51,600,000
TOTAL INCOME	44,949,379	45,039,100	89,721	-0.2%	12,941,442	57,980,542	57,980,542
TOTAL OFFICE COSTS	3,409,664	3,100,573	309,091	9.1%	991,517	4,092,090	4,092,090
TOTAL STAFF COSTS	35,046,081	34,188,458	857,623	2.4%	8,121,623	42,310,081	42,310,081
TOTAL TRAINING AND RECRUITMENT	878,551	557,091	321,460	36.6%	616,711	1,173,802	1,173,802
TOTAL IT COSTS	4,132,584	3,404,747	727,837	17.6%	1,860,089	5,264,836	5,264,836
TOTAL PROJECT SPEND	509,170	683,785	174,615	-34.3%	22,785	661,000	661,000
TOTAL COMMUNICATIONS	357,801	205,062	152,739	42.7%	303,871	508,933	508,933
TOTAL FINANCIAL COSTS	108,667	104,548	4,119	3.8%	87,953	192,501	192,501
TOTAL TRAVEL	52,793	47,499	5,294	10.0%	8,744	56,243	56,243
TOTAL LEGAL, PROFESSIONAL & OTHER	1,695,183	1,253,906	441,277	26.0%	1,527,613	2,781,519	2,781,519
TOTAL COSTS	46,190,494	43,545,669	2,644,825	5.7%	13,495,336	57,041,005	57,041,005
CAPITAL SPEND	0	0	0	0.0%	650,000	650,000	650,000
SURPLUS/ (DEFICIT)	1,241,115	1,493,431	2,734,546	220.3%	553,894	939,537	939,537

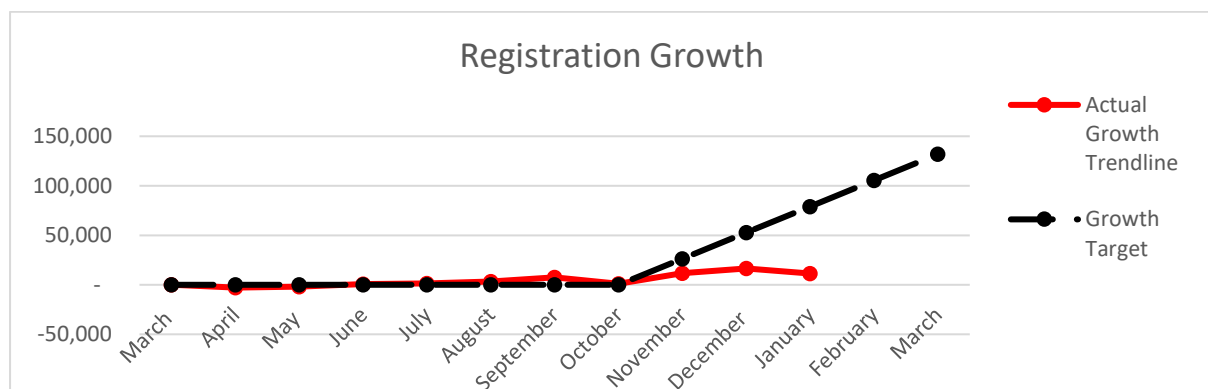
Income

DP Income



Registrations

DP Income budget has been revised down to reflect actuals and expected recovery for the final quarter of the year. Final Year outturn is expected to be within budget forecast.



The registrations growth chart shows only a small amount of growth during the period April – January. Initial targets to grow the register up to 1 million (an increase of circa 260,000) have been revised inline with the more prudent budget and are expected to be 880,000 as at year end. This does still represent a steep growth trajectory across February and March. Current registrations as at the end of Jan are 787,711 which means we would need a minimum growth of 92,229 to achieve the 880,000 target. This has been translated using tier data by Registrations into a budget of £51.6m as represented above.

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

At present, some cost lines are coming in behind budget. Those areas tracking >10% variance to budget are as follows;

Training & recruitment ↓(37%)

Recruitment is generally focussed on agency staff at the moment. Due to onboarding challenges and slowdown in recruitment, there is a risk that this may not spend to budget.

IT spend ↓(18%) & Project spend ↑(34%)

Across the whole IT budget including projects, spend is expected to be online with budget for the year. Any savings made in some areas are being repurposed across priority areas such as providing kit for new starters.

Communications spend ↓(43%)

Due to seminars and conferences being pushed back during Covid, significant savings have been made however there are areas that excess budget could be utilised.

Legal, Professional and Other ↓(26%)

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 break even with a surplus <3% turnover circa £940k. There is still uncertainty over the ongoing impact of the pandemic.

Reporting to DCMS

There are a number of adjustments that we make to our reports to DCMS as listed below:

<i>Surplus as reported to DCMS</i>	368,276
Additional IPA funding available through GIA	165,000
Additional budget moved from capital into expenditure	200,000
Adjustments under IFRS 16 Leases	206,261
Surplus as reported in Budget Report	939,537