

## Finance Report for DCEO Steering Group

### Financial Year 2017/18, July 2017

---

#### Executive Summary

Moving into quarter 2, income remains on track with the uplifted (6% from prior year) forecast and costs remain within our accepted variance level.

#### Risks, Challenges and Opportunities

There is a continuing risk of overspend from departmental structure changes, new initiatives, additional specialist support, accommodation expansion planning and recruitment for GDPR. This is being managed primarily through monthly budget meetings and quarterly budget reviews.

Uncertainty over planning salary costs following the benchmarking exercise and associated business case that will be submitted to DCMS before the end of August, pose a significant challenge for budget planning moving into 2018/19 especially in the context of fee changes under the new fee regime and the expanding ICO workforce.

Budget planning for 2018/19 will begin in September with a view to sign off with DCEO SG and SLT in November. There is a significant opportunity within the planning process to align short to medium term business plans with the 2018/19 budget and link this to a formal milestone review process. This will help in quantifying our frontline results and assigning resources effectively.

#### Spend under/ (over) variance tolerance of 10%:

Budget	% Variance	Comments
Project spend	(26%)	This tends to vary with progression of projects (prior month was underspent by 46%) – only billed at particular milestones. No over or underspend projected.
Communications	20%	The bulk of this underspend has come from one off ad hoc costs that we have not incurred yet such as surveys, ICON development and staff events. This expenditure is expected later in the year.
Financial costs	16%	Internal audit work has started later than planned, which has pushed billable milestones back, hence the underspend. Full costs expected later in the year.
Legal & Professional	48%	Legal costs are expected to fluctuate to budget because of the ad hoc nature of cases. Research budget which was increased to cover the Higher Education work which has not started spending as yet; this is now expected to start in Quarter 3.

## Financial Overview as at 31 July

### Cash Flow

The cash flow remains consistently robust with reserves available in the event of a reduced income.

### DP Income (see appendix 1)

Month	Budget	Actual	Variance	%
April	1,558	1,458	(99)	(6%)
May	1,560	1,731	171	11%
June	1,655	1,698	43	3%
July	1,730	1,644	(86)	(5%)
<b>Subtotal</b>	<b>6,503</b>	<b>6,532</b>	<b>29</b>	<b>0.4%</b>
August	1,569			
September	1,897			
October	1,863			
November	1,763			
December	1,253			
January	2,080			
February	1,857			
March	1,969			
<b>£ Year</b>	<b>*20,755</b>			

\*Budget reflects an uplift of 6% from the previous year

### Recruitment

The target FTE for when GDPR goes live is currently estimated at 581.2 across the office. Based on payroll records as at the end of July, we are running at an actual FTE of 460.8 which leaves 120.4 roles left to be recruited, some in this financial year and some in 2018/19. This is a mix of ongoing back fill and new roles being brought on line. Note, agency roles are being used where appropriate to fill roles in the short term until a permanent position is recruited. Budget holders receive a detailed breakdown of staff down to team level each month for comment.

FTE Staff Analysis	Planned FTE	Actual FTE	Variance	Variance (inc agency)
Permanent Staff Band A	8.1	8.1	0.0	0.0
Permanent Staff Band B	38.6	36.6	2.0	0.0
Permanent Staff Band C	142.6	98.1	44.5	33.5
Permanent Staff Band D	178.9	132.9	46.0	44.4
Permanent Staff Band E	124.7	97.9	26.8	25.8
Permanent Staff Band F	63.8	53.8	10.0	10.0
Permanent Staff Band G	17.8	12.8	5.0	5.0
Permanent Staff Band H	6.7	5.0	1.7	1.7
Agency Staff Band B	0.0	2.0	(2.0)	
Agency Staff Band C	0.0	11.0	(11.0)	
Agency Staff Band D	0.0	1.6	(1.6)	
Agency Staff Band E	0.0	1.0	(1.0)	
<b>Total FTE staff</b>	<b>581.2</b>	<b>460.8</b>	<b>120.4</b>	<b>120.4</b>

## Month End Financial Summary

### MANAGEMENT REPORT

For the Four Months  
Ending 31 July 2017

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2016/17 £
GRANT IN AID	1,250,000	1,250,000	-	-	3,795,000	3,790,000
DP FEE INCOME	6,451,961	6,531,798	79,837	-	20,754,800	19,729,439
DRIPA INCOME	82,500	82,500	-	-	330,000	330,000
BANK INTEREST	-	(75)	(75)	-	-	75
<b>TOTAL INCOME</b>	<b>7,784,461</b>	<b>7,864,223</b>	<b>79,762</b>	<b>0.4%</b>	<b>24,879,800</b>	<b>23,849,514</b>
Office Costs	428,751	399,966	(28,785)	(7%)	1,286,200	1,523,289
Staff Costs	5,755,758	5,725,627	(30,131)	(1%)	18,561,610	16,029,657
Training And Recruitment	180,288	168,575	(11,713)	(6%)	575,000	579,010
It Costs	831,813	904,521	72,708	9%	2,548,325	2,505,735
Project Spend*	384,891	486,673	101,782	26%	534,675	688,500
Communications	125,701	100,096	(25,605)	(20%)	388,400	507,460
Financial Costs	19,000	15,913	(3,087)	(16%)	107,500	153,134
Travel	172,903	177,946	5,043	3%	539,200	526,336
Legal, Professional & Other	315,074	162,745	(152,329)	(48%)	1,088,890	595,466
<b>TOTAL COSTS</b>	<b>8,214,179</b>	<b>8,142,062</b>	<b>(72,117)</b>	<b>(0.9%)</b>	<b>25,629,800</b>	<b>23,108,587</b>
<b>OPERATING SURPLUS</b>	<b>(429,718)</b>	<b>(277,839)</b>	<b>151,879</b>	<b>(35%)</b>	<b>(750,000)</b>	<b>740,927</b>
<b>GIA PROGRAMME 1819 ADVANCE</b>	<b>280,000</b>	<b>280,000</b>	<b>-</b>	<b>-</b>	<b>1,400,000</b>	<b>-</b>
<b>SURPLUS</b>	<b>(149,718)</b>	<b>2,161</b>	<b>151,879</b>	<b>(101%)</b>	<b>650,000*</b>	<b>740,927*</b>

\*Project spend includes capital spend which is reviewed alongside the revenue budget

Based on the above summary, we are currently in line with expected forecasts by less than 1% on both income and expenditure.

## Civil Monetary Penalties (CMPs)

Below is the summary of those debts we still consider recoverable from the previous year plus new penalties issued to June 2017.

Gross debts B/fwd from 2016-17	594,600
Issued penalties gross	1,664,100
Issued prompt payment discount	(220,500)
Irrecoverable debts written off	-
<b>Net</b>	<b>2,038,200</b>
Receipts*	(929,267)
Balance	<b><u>1,108,933</u></b>

\*Of this sum, £223,700 is due to be paid to the consolidated fund in August 2017.

### **Spending controls**

The ICO is complying with the Cabinet Office Spending Controls Guidance v 4.0

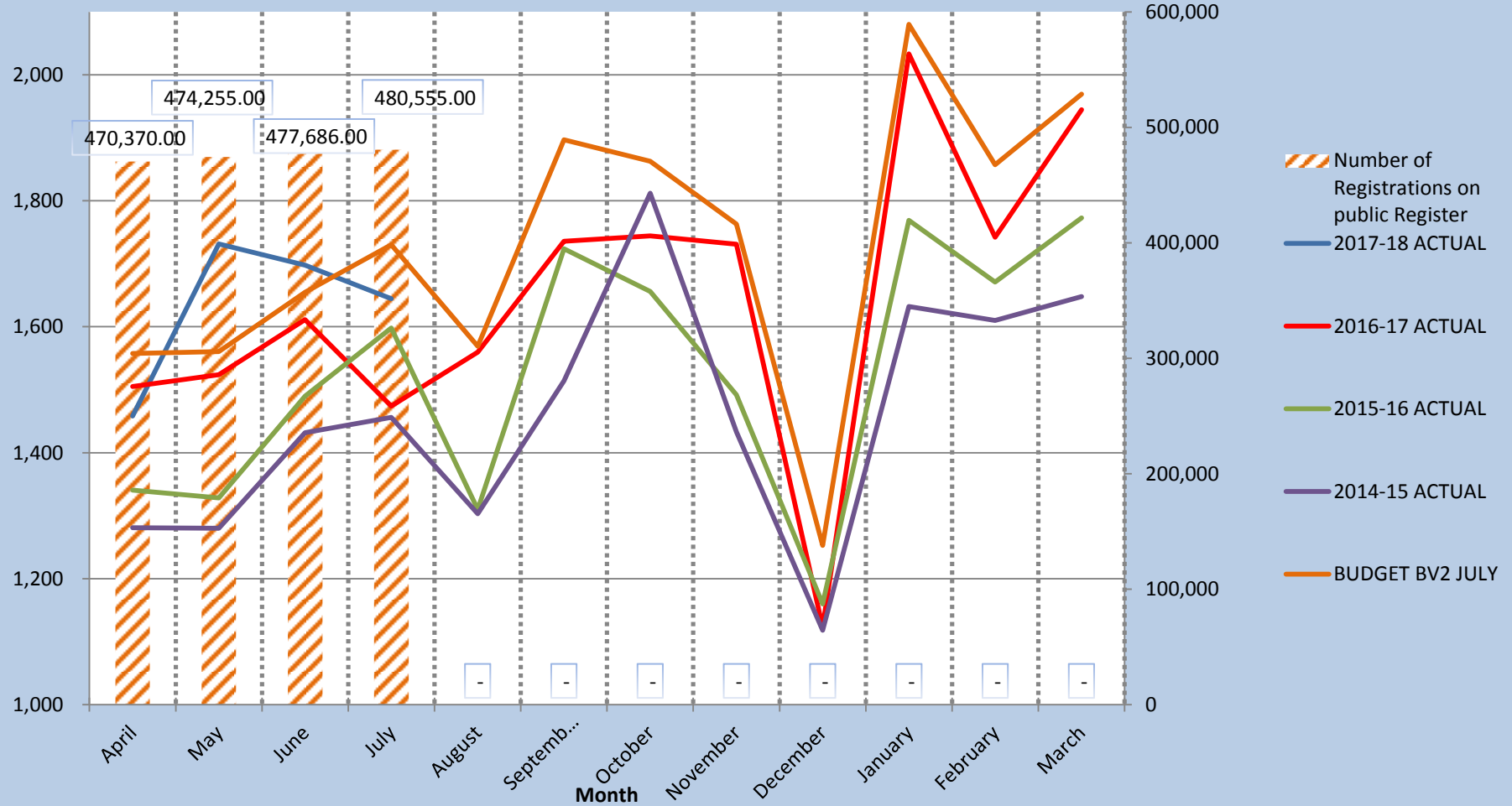
<https://www.gov.uk/government/publications/cabinet-office-controls/cabinet-office-controls-guidance-version-40>

**Heather Dove**  
**August 2017**

# Fee Income 2017/18

Fee income (£000)

Registration



INFORMATION COMMISSIONERS OFFICE

For the Twelve Months Ending 31 March 2018

	Actual Apr-16 £ (000)	Actual May-16 £ (000)	Actual Jun-16 £ (000)	Actual Jul-16 £ (000)	Forecast Aug-16 £ (000)	Forecast Sep-16 £ (000)	Forecast Oct-16 £ (000)	Forecast Nov-16 £ (000)	Forecast Dec-16 £ (000)	Forecast Jan-17 £ (000)	Forecast Feb-17 £ (000)	Forecast Mar-17 £ (000)
<b>Cash flows from operating activities</b>												
Net Expenditure												
DP FEE INCOME	-1,458	-1,731	-1,698	-1,644	-1,565	-1,894	-1,860	-1,759	-1,248	-2,078	-1,854	-1,967
DRIPA INCOME	0	0	-83	0	0	-83	0	0	-83	0	0	-83
OFFICE COSTS	113	91	89	107	109	109	113	116	116	118	118	118
STAFF COSTS	1,432	1,413	1,425	1,456	1,528	1,576	1,605	1,593	1,617	1,649	1,668	1,600
TRAINING AND RECRUITMENT	40	49	28	52	51	50	50	51	50	52	53	49
IT COSTS	218	241	178	268	196	202	210	196	200	230	201	209
PROJECT SPEND	143	101	166	76	84	84	84	84	84	84	84	-566
COMMUNICATIONS	15	14	54	17	25	62	36	35	35	36	35	25
FINANCIAL COSTS	3	3	7	3	7	7	7	7	5	44	7	7
TRAVEL	40	53	44	41	31	43	47	60	22	34	24	100
LEGAL, PROFESSIONAL & OTHER	27	50	31	54	95	98	110	115	118	136	128	126
Net expenditure total	572	285	242	429	561	255	402	498	916	305	462	-382
Decrease in trade and other receivables	22	678	-6	233	35	210	-273	7	7	-511	259	-140
Increase in trade payables	513	-913	-71	391	-8	-132	40	-32	-4	324	-172	8
Use of provisions	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net cash outflow from operating activities</b>	<b>1,107</b>	<b>50</b>	<b>165</b>	<b>1,052</b>	<b>588</b>	<b>333</b>	<b>169</b>	<b>473</b>	<b>919</b>	<b>118</b>	<b>549</b>	<b>-514</b>
<b>Cash flows from investing activities</b>												
Capital Spend	0	0	0	0	0	0	0	0	0	0	0	650
Profit/Loss on Disposal of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net cash outflow from investing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>650</b>
<b>Cash flows from financing activities</b>												
Grant in Aid	-313	-313	-313	-313	-313	-313	-313	-313	-313	-313	-313	-358
Grant in Aid Programme in Advance			-140	-140	-140	-140	-140	-140	-140	-140	-140	-140
<b>Net cash flows from financing activities</b>	<b>-313</b>	<b>-313</b>	<b>-453</b>	<b>-453</b>	<b>-453</b>	<b>-453</b>	<b>-453</b>	<b>-453</b>	<b>-453</b>	<b>-453</b>	<b>-453</b>	<b>-498</b>
<b>Net increase/(decrease) in cash and cash equivalents in the year</b>												
Net increase/(decrease) in cash	794	-262	-288	600	136	-119	-284	21	467	-334	96	-362
<b>Cash &amp; equivalents- start of period</b>	<b>3,630</b>	<b>2,836</b>	<b>3,098</b>	<b>3,386</b>	<b>2,786</b>	<b>2,650</b>	<b>2,770</b>	<b>3,053</b>	<b>3,032</b>	<b>2,566</b>	<b>2,900</b>	<b>2,804</b>
<b>Cash &amp; equivalents- end of period</b>	<b>2,836</b>	<b>3,098</b>	<b>3,386</b>	<b>2,786</b>	<b>2,650</b>	<b>2,770</b>	<b>3,053</b>	<b>3,032</b>	<b>2,566</b>	<b>2,900</b>	<b>2,804</b>	<b>3,165</b>

## MANAGEMENT REPORT

For the Four Months Ending 31 July 2017

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2016/17 £
GRANT IN AID	1,250,000	1,250,000	0	-	3,795,000	3,790,000
DP FEE INCOME	6,451,961	6,531,798	-79,837	(1.2%)	20,754,800	19,729,439
DRIPA INCOME	82,500	82,500	0	-	330,000	330,000
BANK INTEREST	0	-75	75	-	0	75
<b>TOTAL INCOME</b>	<b>7,784,461</b>	<b>7,864,223</b>	<b>-79,762</b>	<b>(1.0%)</b>	<b>24,879,800</b>	<b>23,849,514</b>
RENT	152,333	146,098	6,235	4.1%	457,000	646,378
RATES & BUILDING INSURANCE	78,666	78,662	4	0.0%	236,000	235,770
SERVICE CHARGES	18,333	16,546	1,787	9.7%	55,000	33,624
CAR PARKING	2,400	2,374	26	1.1%	7,200	54,104
HEAT & LIGHT	36,208	23,520	12,688	35.0%	107,000	102,670
WATER	5,334	1,900	3,434	64.4%	16,000	17,067
CLEANING	24,664	26,889	-2,225	(9.0%)	74,100	88,463
SECURITY	19,666	17,370	2,296	11.7%	59,000	52,462
WASTE	1,333	1,334	-1	(0.1%)	4,000	5,797
REPAIRS & MAINTENANCE	20,150	26,452	-6,302	(31.3%)	75,500	49,277
MOTOR COSTS	0	0	0	-	0	-151
KITCHEN	12,727	12,274	453	3.6%	38,000	32,524
REMOVALS	0	379	-379	-	0	0
FURNITURE	10,500	1,766	8,734	83.2%	60,000	46,407
GENERAL EQUIPMENT	3,332	1,384	1,948	58.5%	10,000	8,191
STATIONERY	18,450	22,572	-4,122	(22.3%)	45,400	46,178
POSTAGE	20,400	16,211	4,189	20.5%	61,000	55,840
DOCUMENT DESTRUCTION	2,834	1,896	938	33.1%	8,000	5,768
OTHER	1,421	2,340	-919	(64.7%)	3,000	84,449
OFFICE COSTS CAPITALISED	0	0	0	-	-30,000	-41,529
<b>TOTAL OFFICE COSTS</b>	<b>428,751</b>	<b>399,966</b>	<b>28,785</b>	<b>6.7%</b>	<b>1,286,200</b>	<b>1,523,289</b>

## MANAGEMENT REPORT

For the Four Months Ending 31 July 2017

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2016/17 £
SALARIES	4,382,616	4,213,822	168,793	3.9%	14,069,983	12,062,267
OVERTIME	56,908	40,255	16,653	29.3%	152,291	110,106
PENSION	876,987	863,475	13,512	1.5%	2,881,842	2,452,706
NATIONAL INSURANCE	415,483	407,449	8,034	1.9%	1,380,201	1,150,172
AGENCY STAFF	0	186,293	-186,293	-	0	291,489
INWARD SECONDMENT	6,000	0	6,000	100.0%	24,000	0
SALARIES INCOME	0	0	0	-	0	-68,616
PENSION INCOME	0	0	0	-	0	-14,582
NATIONAL INSURANCE INCOME	0	0	0	-	0	-7,829
NON EXEC BOARD MEMBER	17,764	14,333	3,431	19.3%	53,292	53,944
<b>TOTAL STAFF COSTS</b>	<b>5,755,758</b>	<b>5,725,627</b>	<b>30,131</b>	<b>0.5%</b>	<b>18,561,610</b>	<b>16,029,657</b>
RECRUITMENT	46,664	46,209	455	1.0%	170,000	166,022
RELOCATION EXPENSES	0	0	0	-	0	41,575
HEALTH & SAFETY	13,624	12,679	945	6.9%	45,000	46,860
APPRENTICESHIP LEVY	20,000	16,360	3,640	18.2%	60,000	0
FURTHER EDUCATION	2,000	116	1,885	94.2%	6,000	7,478
ALL STAFF SKILLS DEVELOPMENT	40,000	79,450	-39,450	(98.6%)	120,000	302,965
SEMINARS AND CONFERENCES	44,000	1,914	42,086	95.6%	132,000	0
MANAGEMENT DEVELOPMENT	6,000	1,078	4,922	82.0%	18,000	14,111
CSL E LEARNING	2,000	0	2,000	100.0%	6,000	0
CSL WORKSHOPS	2,000	0	2,000	100.0%	6,000	0
PROFESSIONAL QUALIFICATIONS	2,000	10,769	-8,769	(438.5%)	6,000	0
INFORMATION TECHNOLOGY	2,000	0	2,000	100.0%	6,000	0
<b>TOTAL TRAINING AND RECRUITMENT</b>	<b>180,288</b>	<b>168,575</b>	<b>11,713</b>	<b>6.5%</b>	<b>575,000</b>	<b>579,010</b>



## MANAGEMENT REPORT

For the Four Months Ending 31 July 2017

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2016/17
	£	£	£	%	£	£
HOSTING, WEB AND TELEPHONY	238,774	237,579	1,195	0.5%	716,322	704,277
APP & DESKTOP SUPPORT	226,668	225,258	1,410	0.6%	680,003	679,870
SOFTWARE LICENSING	161,667	149,412	12,255	7.6%	485,000	379,419
SECURITY CONTRACT	16,667	3,315	13,352	80.1%	50,000	54,482
NOTIFICATION PRINTING	47,464	77,364	-29,900	(63.0%)	190,000	222,494
MANAGED PRINT	14,167	14,218	-51	(0.4%)	42,500	33,702
CARD PROCESSING CHARGES	27,573	51,290	-23,717	(86.0%)	88,000	103,982
HARDWARE MAINTENANCE	16,667	38,018	-21,351	(128.1%)	50,000	70,975
GOV SECURE INTERNET	33,333	40,728	-7,395	(22.2%)	100,000	0
TELEPHONY CALLS & BROADBAND	48,833	67,338	-18,505	(37.9%)	146,500	256,534
<b>TOTAL IT COSTS</b>	<b>831,813</b>	<b>904,521</b>	<b>-72,708</b>	<b>(8.7%)</b>	<b>2,548,325</b>	<b>2,505,735</b>
RESOURCES	0	249,902	-249,902	-	0	0
SOFTWARE	0	55,227	-55,227	-	0	0
HARDWARE	0	30,751	-30,751	-	0	0
SUNDRY (OTHER)	384,891	18,110	366,781	95.3%	1,154,675	1,263,585
PROJECT COSTS TBA	0	132,683	-132,683	-	0	0
PROJECT WORK CAPITALISED	0	0	0	-	-620,000	-575,085
<b>TOTAL PROJECT SPEND</b>	<b>384,891</b>	<b>486,673</b>	<b>-101,782</b>	<b>(26.4%)</b>	<b>534,675</b>	<b>688,500</b>
CAMPAIGNS, MEDIA RELATIONS & PR	10,400	12,956	-2,556	(24.6%)	31,200	24,665
MEDIA MONITORING	19,800	13,993	5,807	29.3%	79,200	135,625
DESIGN & PRINT	13,750	19,077	-5,327	(38.7%)	55,000	40,922
DISTRIBUTION	13,333	9,227	4,106	30.8%	40,000	25,774
SURVEYS	16,500	480	16,020	97.1%	66,000	26,779
CONFERENCES GENERAL	34,000	34,361	-361	(1.1%)	104,000	269,310
CONFERENCE INCOME	0	0	0	-	-50,000	-48,686
ICON DEVELOPMENT	3,750	0	3,750	100.0%	15,000	0
STAFF EVENTS	10,501	1,411	9,090	86.6%	37,000	19,578
WEB MAINTENANCE	3,667	8,590	-4,923	(134.3%)	11,000	13,493

## MANAGEMENT REPORT

For the Four Months Ending 31 July 2017

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2016/17
	£	£	£	%	£	£
TOTAL COMMUNICATIONS	125,701	100,096	25,605	20.4%	388,400	507,460

## MANAGEMENT REPORT

For the Four Months Ending 31 July 2017

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2016/17 £
BANK CHARGES	0	459	-459	-	37,500	47,624
EXTERNAL AUDIT	11,000	10,833	167	1.5%	33,000	32,500
INTERNAL AUDIT	8,000	4,181	3,819	47.7%	37,000	69,431
CORPORATION TAX	0	0	0	-	0	17
BAD DEBT WRITE OFF	0	440	-440	-	0	3,562
<b>TOTAL FINANCIAL COSTS</b>	<b>19,000</b>	<b>15,913</b>	<b>3,087</b>	<b>16.2%</b>	<b>107,500</b>	<b>153,134</b>
CAR HIRE	2,250	1,369	881	39.2%	9,500	5,251
TRAVEL HOSTING	0	384	-384	-	0	226
TRAVEL UK	127,199	139,026	-11,827	(9.3%)	407,000	445,577
TRAVEL OVERSEAS	51,085	45,774	5,311	10.4%	139,700	97,136
TRAVEL INCOME - UK	-3,142	-346	-2,796	89.0%	-7,000	-6,526
TRAVEL INCOME - OVERSEAS	-4,489	-8,261	3,772	(84.0%)	-10,000	-15,328
<b>TOTAL TRAVEL</b>	<b>172,903</b>	<b>177,946</b>	<b>-5,043</b>	<b>(2.9%)</b>	<b>539,200</b>	<b>526,336</b>
LEGAL	211,117	76,479	134,638	63.8%	654,000	349,017
LEGAL COSTS RECOVERED	-5,611	-2,968	-2,643	47.1%	-25,000	-27,109
LIBRARY & SUBSCRIPTIONS	21,917	19,654	2,262	10.3%	57,400	54,354
PROFESSIONAL MEMBERSHIPS	2,500	3,389	-889	(35.6%)	14,250	10,714
RESEARCH	38,500	17,640	20,860	54.2%	115,000	35,634
RESEARCH GRANTS FUND	0	0	0	-	125,000	0
PROFESSIONAL SERVICES	35,911	51,196	-15,285	(42.6%)	137,500	163,404
STAFF RECOGNITION	10,740	-2,646	13,386	124.6%	10,740	9,452
<b>TOTAL LEGAL, PROFESSIONAL &amp; OTHER</b>	<b>315,074</b>	<b>162,745</b>	<b>152,329</b>	<b>48.3%</b>	<b>1,088,890</b>	<b>595,466</b>

## MANAGEMENT REPORT

For the Four Months Ending 31 July 2017

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2016/17 £
<b>TOTAL COSTS</b>	<b>8,214,178</b>	<b>8,142,061</b>	<b>72,117</b>	<b>0.9%</b>	<b>25,629,800</b>	<b>23,108,588</b>
<b>CAPITAL SPEND</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>650,000</b>	<b>616,614</b>
<b>OPERATING SURPLUS</b>	<b>-429,717</b>	<b>-277,838</b>	<b>-151,879</b>	<b>35.3%</b>	<b>-1,400,000</b>	<b>124,312</b>
<b>GIA PROGRAMME 1819 ADVANCE</b>	<b>280,000</b>	<b>280,000</b>	<b>0</b>	<b>-</b>	<b>1,400,000</b>	<b>0</b>
<b>SURPLUS</b>	<b>-149,717</b>	<b>2,162</b>	<b>-151,879</b>	<b>101.4%</b>	<b>0</b>	<b>124,312</b>

### FTE Staff Analysis

Permanent Staff Band A	8.1	8.1	0.0	0.0	8.1	0.0
Permanent Staff Band B	38.6	36.6	2.0	0.1	38.6	0.0
Permanent Staff Band C	142.6	98.1	44.5	0.3	142.6	0.0
Permanent Staff Band D	178.9	132.9	46.0	0.3	178.9	0.0
Permanent Staff Band E	124.7	97.9	26.8	0.2	124.7	0.0
Permanent Staff Band F	63.8	53.8	10.0	0.2	63.8	0.0
Permanent Staff Band G	17.8	12.8	5.0	0.3	17.8	0.0
Permanent Staff Band H	6.7	5.0	1.7	0.3	6.7	0.0
Agency Staff Band B	0.0	2.0	(2.0)	0.0	0.0	0.0
Agency Staff Band C	0.0	11.0	(11.0)	0.0	0.0	0.0
Agency Staff Band D	0.0	1.6	(1.6)	0.0	0.0	0.0
Agency Staff Band E	0.0	1.0	(1.0)	0.0	0.0	0.0
<b>Total FTE staff</b>	<b>581.1</b>	<b>460.7</b>	<b>120.4</b>	<b>0.2</b>	<b>581.1</b>	<b>0.0</b>