**Finance Report Summary, Financial Year 2021/22**

**August 2021**

**Executive Summary**

The accounts for the end of August, as set out below, continue to show a strong performance in income, with DP fee income £801k ahead of forecast at the end of the month. There continues to be several areas of expenditure where spending is below budget including travel, professional fees, advertising and marketing spend, which is now subject to additional spending controls. As agreed by Resources Board, and detailed in the July Management Accounts Report, a contingency of £1.478m, previously included in the budget to mitigate the risk of any under recovery of income in the current economic climate, was released to fund priority projects. All of these, and existing business cases will be closely monitored to ensure they are on track to deliver to agreed timescales. Budget meetings are currently being conducted and will provide greater detail as to which budget lines are likely to meet forecast spend, and those where there is uncertainty as to whether the full budget will be required.  A full view of the half year position will be presented and analysed within the September Management Accounts.



**Income**

Overall, income is ahead of profile at month end, with DP fee income £801k ahead of forecast. Proactive contact with organisations has helped to support the renewals and acquisitions metrics through the year. The renewal rate was 86.64% at the end of August and at the end of the month there were 996k organisations on the fee register, against a year-end target of £1.13m. On the 6th of September, just after month end, the register reached the £1m milestone, with 137,914 new registrations added this financial year by the of August, against a target of 136,385. As a result of this, it is reasonable to say that we are on track to deliver our forecast on DP income and work will take place for the upcoming half year to reforecast income based on year to date performance.

The Grant in Aid income for the year covers income for Freedom of Information - £4m for the full year, NIS ([Network and Information Systems Regulations)](http://www.legislation.gov.uk/uksi/2018/506/contents) - £1.2m for the full year, eIDAS (electronic identification and trust services) -£59k for the full year, Investigatory Act £330k, Adequacy £461k and pension funding £1.46m. These streams of funding are all paid evenly throughout the year.

In addition, in August, we were made aware that we had been successful in our bid for additional funding of £369k from the BEIS led Regulators’ Pioneer Fund. This funding is for two specific projects regarding our technology and innovation work and must be spent in this financial year. Work is underway to resource and procure the relevant suppliers to ensure successful delivery.

**DP Fee Income**

The following shows the monthly forecast and the year to date actuals

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month | Forecast £ | Actual £ | Year to date forecast £ | Year to date actual £ | Variance £ |
| April | 3,789,086 | 4,716,571 | 3,789,086 | 4,716,571 | +927,485 |
| May | 5,180,096 | 4,659,857 | 8,969,182 | 9,376,428 | +407,246 |
| June | 4,804,415 | 5,071,242 | 13,773,597 | 14,447,670 | +674,073 |
| July | 4,828,908 | 5,051,163 | 18,602,505 | 19,498,833 | +896,328 |
| August | 4,727,303 | 4,632,096 | 23,329,808 | 24,130,929 | +801,121 |
| September | 4,865,002 |  | 28,194,810 |  |  |
| October | 5,125,199 |  | 33,320,009 |  |  |
| November | 5,463,552 |  | 38,783,561 |  |  |
| December | 4,187,939 |  | 42,971,500 |  |  |
| January | 6,032,250 |  | 49,003,750 |  |  |
| February | 6,478,406 |  | 55,482,156 |  |  |
| March | 7,197,845 |  | 62,680,001 |  |  |

**Expenditure**

Year to date spending against budget is lower than expected within some budget lines, for example Advertising, Travel, Professional Fees, and Marketing, all of which are being reviewed in half year budget meetings this month to assess the Q2 and full year position. The budget reviews will highlight existing and forecast spends and in particular focus on whether business cases where procurement or recruitment is required are on track for delivery.

**End of year position**

The year end is budgeted to generate a small surplus although current forecasts show a larger surplus due to fee income performance and lower than forecast expenditure. This will continue to be reviewed the half year position will be detailed in the following month’s report.