

Finance Report Summary, Financial Year 2019/20 April 2020

Executive Summary

April 2020 represents the first month of the financial year. This reflects the financial position following the revised budget that was agreed after consideration of the risks of CV-19.

This budget reduced the expected DP Fee income for the first half of the year and consequently the full year outturn. There were corresponding cost savings factored into the revised budget.

At the end of April the DP fee income is tracking to April forecast. The fee income will continue to be monitored closely and there is an assumption that the fee income recovery and collection will increase over the remainder of the year as the CV19 restrictions continue to ease.

The pay budget includes the costs of approved recruitment which has a number of prioritised posts being filled in a phased approach over the remainder of the year. This phasing and prioritisation will be reviewed throughout the remainder of the year to ensure that the recruitment is affordable and matches the risks associated with income collection. The recruitment that has been approved is deemed essential so the ICO can meet the demands placed on it as a modern regulator and ensuring it has the capacity and capability to meet all requirements

None pay costs are closely monitored. The travel budget had been reduced as the expectation is that travel over the remainder of the year is greatly minimised. There is also an element of budget set aside for litigation costs if required and implementation of the Age Appropriate Design Code. These are yet unspent.

The budget will be reviewed on a quarterly basis to ensure that any ongoing risks due to CV19 are managed appropriately

Description	YTD	April	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Year end forecast	Total Budget	Variance to Budget
	RAG RATING	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
DP FEE INCOME	G	3,400												54,600	54,600	
GRANT IN AID	G	500												6,008	6,008	
OTHER INCOME	G	57												373	373	
OFFICE COSTS	G	290												3,215	3,215	
STAFF COSTS	G	3,312												43,932	43,932	
TRAINING AND RECRUITMENT	G	29												1,239	1,239	
IT COSTS	G	307												5,123	5,123	
PROJECT SPEND	G	71												3,246	3,246	
COMMUNICATIONS	G	103												479	479	
FINANCIAL COSTS	G	6												189	189	
TRAVEL	G	31												434	434	
LEGAL, PROFESSIONAL & OTHER	G	79												3,124	3,124	
OPERATING SURPLUS	G	-203												-	-	

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

Income

The DP income for the month of April is running at the budget for the month.

It is assumed that for the remainder of the year the DP fee income follows the revised profile with work recommencing in August/September to review the Data Protection register to identify and then contact the organisations and individuals that are legally obliged but have not yet registered.

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) - £500k for the full year, eIDAS (electronic identification and trust services) -£47k for the full year and pension funding £1.4m. These streams of funding have all been paid in full already so the income is being spread evenly over the course of year.

Other income mainly includes funding for the Investigatory Act £330k and some smaller sums.

The ICO are currently in dialogue with DCMS to agree a longer term model to recover the costs of litigation connected with issuing fines. This dialogue has been put on hold during the CV19 pandemic. If a model is agreed then the ICO may be able to retain an element of fine income to cover the litigation costs involved in the issuing and collection of the fine.

DP Fee Income actuals vs budget per month

Month	BUDGET 2020/21 £'000	2020/21 Actual £'000	Variance to Budget £'000
April	3,425	3,439	13
May	3,857		
June	3,119		
July	3,287		
August	3,779		
September	4,266		
October	5,130		
November	5,161		
December	4,252		
January	6,446		
February	5,793		
March	6,083		
Total	54,600		

Expenditure

At present cost lines are matching the budget.

The staff costs include the costs of possible recruitment and pay increments. The non-pay costs will be monitored closely and budget review meetings are held on a monthly basis to review budgets with budget holders.

End of year position:

The year end is budgeted to break even. This will be reviewed on a monthly basis subject to any changes in the financial position due to the impact of CV19