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

**July 2021**

**Executive Summary**

The accounts for the end of July, as set out below, show a continuing strong performance in income, with DP fee income £896k ahead of forecast at the end of the month. There continues to be several areas of expenditure where there is uncertainty as to whether the full budget will be required, for example in relation to travel and some advertising and marketing spend, which is now subject to additional government spending controls. In addition, business cases will be closely monitored to ensure they are on track to deliver to agreed timescales. Given the above, contingency of £1.478m, which was included in the budget to ensure that we could mitigate the risk of any under recovery of income in the current economic climate, has been agreed to be released to fund priority projects.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **For the Four Months** |  |  |  |  |  |
| **Ending 31 July 2021** |  |  |  |  |  |
|  |  | **Year To Date** | | | **Full Year** |
|  |  | **Budget** | **Actual** | **Variance** | **Budget** |
|  |  | **£** | **£** | **£** | **£** |
|  |  |  |  |  |  |
| DP FEE INCOME |  | 18,602,505 | 19,498,833 | 896,328 | 62,680,001 |
| GRANTS/OTHER INCOME |  | 2,526,000 | 2,538,002 | 12,002 | 7,578,000 |
| **TOTAL INCOME** |  | **21,128,505** | **22,036,834** | **908,329** | **70,258,001** |
|  |  |  |  |  |  |
| **TOTAL OFFICE COSTS** |  | **1,693,510** | **1,669,290** | **24,220** | **4,991,014** |
| **TOTAL STAFF COSTS** |  | **15,689,311** | **15,647,864** | **41,447** | **51,795,206** |
| **TOTAL TRAINING AND RECRUITMENT** |  | **542,132** | **382,265** | **159,867** | **1,189,625** |
| **TOTAL IT COSTS** |  | **1,629,483** | **1,508,904** | **120,579** | **4,541,775** |
| **TOTAL PROJECT SPEND** |  | **140,668** | **141,452** | **784** | **2,160,000** |
| **TOTAL COMMUNICATIONS** |  | **160,000** | **70,210** | **89,790** | **457,200** |
| **TOTAL FINANCIAL COSTS** |  | **46,000** | **38,265** | **7,735** | **138,000** |
| **TOTAL TRAVEL** |  | **20,198** | **17,656** | **2,543** | **285,340** |
| **TOTAL LEGAL, PROFESSIONAL & OTHER** |  | **1,016,130** | **699,954** | **316,176** | **4,094,749** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **TOTAL COSTS** |  | **20,937,432** | **20,175,861** | **761,572** | **69,652,909** |
|  |  |  |  |  |  |
| **CAPITAL SPEND** |  | **0** | **0** | **0** | **550,000** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **SURPLUS/ (DEFICIT)** |  | **191,073** | **1,860,973** | **1,669,901** | **55,092** |

**Income**

Overall, income is ahead of profile at month end, with DP fee income £896k ahead of forecast. Renewals and acquisitions metrics are both improving as we move through the year, a result of proactive contact to remind organisations of their responsibility to register or renew. The renewal rate was 90.52% at the end of July and at the end of the month there were 965,573 organisations on the fee register, 102,155 of which are new registrants this financial year. We are also contacting organisations with an expired record to ensure they are aware of the need to pay the fee if they are still required to do so. As a result of this, it is reasonable to say that we are on track to deliver our forecast on DP income.

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.

**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 |  | 23,329,808 |  |  |
| 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**

At the end of Q1, the budget retained significant levels of contingency (£1.478m). While this was a prudent approach at the start of the financial year, given the performance on fee income, it has been agreed that this contingency should be released. This will fund priority projects across the organisation, including additional cyber investigations, legal and SME support staff, as well as to invest further in our IT infrastructure and public facing services. These additional projects have been added to our business case delivery tracker.

**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 be reviewed on a monthly basis and in particular in light of ongoing review of the project and salaries and vacancies lines. Whilst there continues to be some uncertainty regarding levels and rates of income for the year as a whole and regarding some areas of areas of expenditure, in particular where we need to recruit, procure or delivery projects in year, we are actively managing and mitigating these risks and remain satisfied that our year end forecasts remain within agreed tolerance.