

# Finance Report Summary, Financial Year 2021/22

## October 2021

### Executive Summary

The management accounts for the end of October continue to deliver strong performance with regards to income, with DP fee income £356k ahead of forecast at the end of the month. Year to date, there are underspends across the majority of expenditure categories with a 4.6% underspend overall.

There have been a number of changes to expenditure budgets following budget review meetings at Q2, with adjustments made as necessary. An increased profile of expenditure is planned for the second half of the year although close oversight of progress against plan in the upcoming months will be crucial to delivering the yearend position in line with budget.

MANAGEMENT REPORT							
For the Seven Months Ending 31 October 2021							
	Year To Date				Remaining	Full Year	Prior Year Actual
	Budget	Actual	Variance	Var %	Budget	Budget	2020/21
	£	£	£	%	£	£	£
DP FEE INCOME	34,124,374	34,480,327	355,953	1.03%	28,199,674	62,680,001	53,204,532
GRANTS/OTHER INCOME	4,442,500	4,458,035	15,535	0.3%			
<b>TOTAL INCOME</b>	<b>38,566,874</b>	<b>38,938,362</b>	<b>371,488</b>	<b>-1.0%</b>	<b>31,687,164</b>	<b>70,625,526</b>	<b>59,595,357</b>
TOTAL OFFICE COSTS	3,397,972	3,349,384	48,588	1.4%	1,772,890	5,122,274	2,661,942
TOTAL STAFF COSTS	28,018,526	27,516,607	501,918	1.8%	24,197,524	51,714,132	43,093,014
TOTAL TRAINING AND RECRUITMENT	881,781	677,690	204,091	23.1%	625,592	1,303,282	824,719
TOTAL IT COSTS	2,677,543	2,425,430	252,113	9.4%	2,036,545	4,461,975	4,486,369
TOTAL PROJECT SPEND	351,919	335,620	16,299	4.6%	1,353,380	1,689,000	726,000
TOTAL COMMUNICATIONS	242,200	110,978	131,222	54.2%	338,722	449,700	280,071
TOTAL FINANCIAL COSTS	88,500	93,859	(5,359)	-6.1%	75,141	169,000	230,960
TOTAL TRAVEL	39,230	42,599	(3,369)	-8.6%	112,651	155,250	69,644
TOTAL LEGAL, PROFESSIONAL & OTHER	2,088,886	1,509,548	579,337	27.7%	2,868,881	4,378,429	1,862,615
					34402326	70464042	
<b>TOTAL COSTS</b>	<b>37,786,556</b>	<b>36,061,716</b>	<b>1,724,840</b>	<b>4.6%</b>	<b>33,381,326</b>	<b>69,443,042</b>	<b>54,235,334</b>
CAPITAL SPEND	0	0	0	0	1,021,000	1,021,000	504,073
<b>SURPLUS/ (DEFICIT)</b>	<b>780,318</b>	<b>2,876,646</b>	<b>2,096,327</b>	<b>-268.7%</b>	<b>2,715,162</b>	<b>161,484</b>	<b>4,855,950</b>

## Income

Overall, as noted above, income is ahead of profile at month end, with DP fee income £356k ahead of forecast. Proactive contact with organisations has helped to support the renewals and acquisitions metrics through the year. The year to date renewal rate was 90.64% at the end of October and at the end of the month the register has surpassed the 1m milestone with 1.052m organisations on the fee register, against a year-end target of 1.13m. Cumulatively 201,480 new registrations were added this financial year by the end of October, against a target of 207,914.

As part of the Q2 forecast review completed in September, the DP Fee Income was updated to reflect the profile of income received year to date and revised phasing for the remainder of the financial year. The full year forecast however remains unchanged.

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) - £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, we have been successful in a bid for additional funding of £369k from the BEIS led Regulators' Pioneer Fund – this funding must be spent in this financial year, and therefore has a net nil impact on income and expenditure for 2021/22.

## 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	5,024,344	28,194,810	29,155,273	+960,463
September amended forecast/variance*	5,769,367	5,024,344	29,099,175	29,155,273	+56,098
October	5,025,199	5,325,054	34,124,374	34,480,327	+355,953
November	5,163,552		39,287,926		
December	3,987,939		43,275,865		
January	5,932,250		49,208,115		
February	6,378,406		55,586,521		
March	7,093,480		62,680,001		

## **Expenditure**

Year to date spending against budget is lower than expected within most budget lines, with the highest year to date underspends being within Communications 54.2%, Legal and Professional Services costs 27.7%, and Training and Recruitment costs 23.1%. All budgets have been reviewed as part of the Q2 review with amendments to forecasts made as required.

## **End of year position**

The yearend position is currently budgeted to generate a surplus of £161k. Priority projects for additional funding to support our strategic objectives and regulatory priorities are being identified and updates on this will be provided each month.