

Finance Report Summary, Financial Year 2022/23

April 2022

Executive Summary

This report provides the April management accounts for 2022/23. A financial forecast review has not yet taken place and is scheduled to take place across the second half of May and first half of June, therefore the April financial forecast has been held at Budget.

The budgeted Income for the financial year is £81,272k, which includes Data Protection Fee Income £71,123k, Grant in Aid £7,972k, Other Government Funding £357k, and Fine Retention Income £1,820k.

Grant in Aid funding is in place to fund our work supporting Freedom of Information (FOI), Network and Information Systems (NIS), Electronic Identification and Trust Services Regulations (eIDAS), the Investigatory Powers Act (IPA) and Adequacy Assessments.

Other Government Funding has been provided via Memorandum of Understanding letters related to support the implementation of NIS Regulations in light of the increased focus on the security and resilience of digital service providers (£243K), and to support the transfer of the responsibility for maintenance and publishing of the Trusted List to the ICO under eIDAS (£114k). Both of these funding streams are ringfenced to these specific activities.

Prior to 2022/23 financial year, the costs of any litigation incurred in the imposition and recovery of the monetary penalties, which are imposed by the ICO on organisations who breach the DPA or PECR, were fully borne by the ICO. The ICO proposed to Government that the litigation costs incurred should be recovered from monetary penalty income, ensuring that these costs are not funded by fee-paying organisations. This cost recovery model is in practice at other UK regulators. This has now been approved by Government and is in place from 2022/23, hence the addition of Fine Retention Income to the budgeted position to offset DP / PECR associated litigation costs.

Overall the ICO's budgeted surplus prior to the approval of Fine Retention Income was £78k, however with the Fine Retention Income now approved, the revised budgeted surplus is £1,898k. There are a number of business cases that were submitted during the business planning cycle to deliver the ICO's business objectives for 2022/23 which have not yet been approved. 2022/23 financial performance will be monitored to ensure budgetary assumptions are tracking to target, with business cases being approved on a priority basis during the course of the financial year.

Table 1 April Consolidated Management Accounts

Table 1 April Consolidated Management Accounts	Year To Date - April				Full Year		
	Budget	Actual	Variance		Revised Budget	Forecast April	Var
	£000's	£000's	£000's	%	£000's	£000's	£000's
DP FEE INCOME	£4,445	£4,550	£105	-2.35%	£71,123	£71,123	£0
GRANT IN AID	£664	£664	£0	0.00%	£7,972	£7,972	£0
OTHER GOVERNMENT FUNDING	£0	£0	£0		£357	£357	£0
FINE RETENTION INCOME	£152	£0	-£152	100.00%	£1,820	£1,820	£0
TOTAL INCOME	£5,261	£5,214	-£47	0.90%	£81,272	£81,272	£0
OFFICE COSTS	£461	£260	£201	43.67%	£5,531	£5,531	£0
STAFF COSTS	£4,445	£4,343	£102	2.30%	£59,341	£59,341	£0
TRAINING AND RECRUITMENT	£128	£106	£22	17.52%	£1,425	£1,425	£0
IT COSTS	£447	£308	£139	31.08%	£5,361	£5,361	£0
PROJECT SPEND	£263	£173	£90	34.13%	£3,254	£3,254	£0
COMMUNICATIONS	£23	£15	£8	33.71%	£277	£277	£0
FINANCIAL COSTS	£14	£18	-£4	-32.41%	£165	£165	£0
TRAVEL	£30	£23	£7	23.17%	£360	£360	-£0
LEGAL, PROFESSIONAL & OTHER	£305	£103	£202	66.20%	£3,660	£3,660	£0
TOTAL COSTS	£6,115	£5,349	£767	12.54%	£79,374	£79,374	£0
CAPITAL SPEND	£0	£0	£0		£0	£0	£0
SURPLUS/ (DEFICIT)	-£854	-£134	£720	84.26%	£1,898	£1,898	£0

Income

DP Fee Income

In April we recovered £105k more income than budgeted profile. This is in despite of the renewal rate in April being 86.2% which is below budgeted target of 92.5% (2021/22 Actual 90%) and acquisitions for April being 7,716 which are below the budgeted target of 10,500 for the month. The acquisitions target for the year is 281,000 with an anticipated overall register of 1.31 million. The Business Services team are working on analysing the April results to better understand the variance.

Table 2 below sets out the budgeted profile for DP Fees for the financial year alongside the actual income year to date.

Table 2 – DP Fee Income profile for 2022/23

Month	Budget £	Actual £	Year to date Budget £	Year to date actual £	Variance £
April	4,445,499	4,550,010	4,445,499	4,550,010	104,511
May	5,592,541		10,038,040		
June	5,394,798		15,432,838		
July	5,553,398		20,986,236		
August	6,008,001		26,994,237		
September	6,357,831		33,352,068		
October	6,361,991		39,714,059		
November	6,278,204		45,992,263		
December	4,687,626		50,679,889		
January	6,480,145		57,160,034		
February	6,687,110		63,847,144		
March	7,275,854		71,122,998		

Year to Date Expenditure**Staff Costs**

As at April, Staff costs have underspend by £102k. A full financial forecast review will take place to determine the revised assumptions for staff costs as the budget for staff costs was set in December. Underspends will be taken back to the centre for reallocation to other priorities.

Non Staff Costs

Whilst at April the underspend is showing as £665k, the budget has been evenly profiled for non staff costs. During the financial forecast review the non staff budgets will be reviewed to ensure that an accurate profile is set to ensure that expenditure can be monitored more closely.

Directorate level details and expenditure analysis will be provided from the May Management Accounting report once a financial forecast review has been completed.