

Finance Report Summary, Financial Year 2019/20 March 2020

Executive Summary

March 2020 represents the twelfth month of the financial year. The following management accounts show the year end position subject to the final audit. At the end of the year the year end operating position is a surplus of £1.59m. This is primarily due to the Data Protection Fee income which out-performed the initial budget by the year end.

The ICO approved a more ambitious fee income recovery/collection programme during the year of the year. This has resulted in a final year DP fee income of £48.7m which has increased from the previous year by 24%

The staffing costs include the pay award for the year and all the associated costs of career progression.

The travel and legal budgets both faced considerable pressure and the year-end position for each has been an overspend against each area. Both of these are a reflection of the increase in demands on the organisation.

Office costs include the costs associated with the increase in provision in connection to the dilapidations of new leases the ICO has taken on in year. This has led to an increase in the dilapidations provision at the year end which explains the increase in spend against the budget. Project costs include the additional cost of refurbishing Kings Court two which we took possession earlier than anticipated.

There is an increase in other income which is due to increased income to cover the costs of pensions and additional income to partly offsets the costs of litigation.

Description	April	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Year end forecast	Total Budget	Variance to Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
DP FEE INCOME	3.7m	4.6m	3.6m	3.6m	3.1m	3.6m	4.0m	3.6m	3.1m	4.9m	4.4m	5.9m	48,712	46,560	2,153
GRANT IN AID	386	386	386	386	386	386	386	386	386	386	386	386	4,626	4,626	0
OTHER INCOME	107	107	107	254	207	145	333	143	115	740	140	140	2,540	1,273	1,265
OFFICE COSTS	246	387	69	249	210	236	286	272	266	284	293	588	3,385	2,651	(734)
STAFF COSTS	2.8m	2.8m	4.5m	2.9m	3.1m	3.2m	3.2m	2.8m	3.1m	3.0m	3.9m	3.4m	38,955	38,660	(294)
TRAINING AND RECRUITMENT	66	85	32	61	62	57	118	93	130	45	56	84	889	835	(55)
IT COSTS	244	280	279	348	287	299	378	156	189	301	427	280	3,469	3,625	156
PROJECT SPEND	81	272	507	328	125	237	256	85	-177	682	231	333	2,961	2,500	(461)
COMMUNICATIONS	109	41	41	46	24	29	30	46	18	14	28	35	457	684	226
FINANCIAL COSTS	9	6	6	14	10	12	6	12	6	12	6	137	236	188	(49)
TRAVEL	102	99	92	87	51	78	100	48	52	66	100	45	922	687	(234)
LEGAL, PROFESSIONAL & OTHER	94	477	264	101	355	114	252	232	2	133	82	238	2,344	1,978	(366)
CAPITAL SPEND	0	0	0	0	0	0	0	0	473	0	0	192	666	650	(11)
OPERATING SURPLUS	470	608	-1.7m	160	-520	-156	233	443	-386	1.6m	-180	1m	1,592	0	1,592

Income

The DP income for the month of March is positive by £1.7m against the budget for the month. At the year end the final DP Fee income is better than the budget by over £2m which is a 24% in income compared to the previous year.

There was considerable work during the year 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 covers income for Freedom of Information - £3.75m for the full year, NIS (Network and Information Systems Regulations) - £500k for the full year, eIDAS (electronic identification and trust services) -£46k for the full year and IPA (Investigatory Powers Act) - £330k for the full year.

Other income mainly includes a budgeted £1m of income from DCMS to cover the increase in pension costs, this was confirmed at a higher rate of £1.442m, which has been received within year. This is for one year only and offsets a corresponding cost in the staffing budget.

Also within the full year outturn there is additional income of £600k to cover litigation costs. With the significant legal costs involved in litigation linked to fines DCMS are looking to partly offset these within year. The ICO are currently in dialogue to agree a longer term model to recover the costs of litigation connected with issuing fines.

DP Fee Income actuals vs budget per month

Month	BUDGET 2019/20	2019/20 Actual	Variance to Budget
April	3,500	3,764	+264
May	4,765	4,611	-154
June	3,897	3,644	-253
July	3,910	3,639	-271
August	3,639	3,132	-507
September	3,987	3,617	-370
October	4,161	4,095	-66
November	4,010	3,693	-317
December	2,817	3,185	+368
January	3,883	4,980	+1,097
February	3,777	4,448	+671
March	4,213	5,902	+1,689
Total	46,559	48,712	+2,153

Expenditure

A number of lines of expenditure are outside the initial budget set.

Office costs – these include the adjust for the dilapidations provision that is associated with the additional accommodation that the ICO has taken possession of during the year. The figures within the management accounts are the operating costs. It is important to note that for the final year end accounts these will be adjusted for lease adjustments

Staff costs – these include the pay award for the year and all costs of career progression during the year

Project Spend – this has increased as the ICO took possession of Kings Court 2 and converted this at the end of the year

Travel – travel costs have exceeded the budget due to the demands on the ICO during the year.

Legal costs – these costs are associated with the litigation costs incurred by the ICO – an element of the overspend is offset by additional income received from DCMS