

Finance Report Summary, Financial Year 2021/22

November 2021

Executive Summary

The management accounts for the end of November, as set out in the table below, shows Income is currently 0.2% lower than budget year to date (DP fee income £31k below budget and Grants / Other Income £64k below budget) however Expenditure is also tracking 4.5% lower than budget year to date. The full year Budget surplus is currently forecast to outturn at £161k.

Expenditure is consistently tracking behind budget year to date, and at 66.7% of the way through the financial year we have spent 58.9% of our expenditure budgets. A full Q3 budget review is underway to ensure that the remaining Income and Expenditure profiles, which were reset following a full review at Q2, remain realistic and to ensure that any adjustments to expenditure budgets can be made early enough in the financial year to ensure that budgets across the ICO are allocated to support the strategic objectives and regulatory priorities.

MANAGEMENT REPORT

For the Eight Months Ending 30 November
2021

	Year To Date				Remaining Budget £	Full Year Budget £	Prior Year Actual 2020/21 £
	Budget £	Actual £	Variance £	Var % %			
DP FEE INCOME	39,287,926	39,257,021	30,905	0.1%	23,422,980	62,680,001	53,204,532
GRANTS/OTHER INCOME	5,133,105	5,068,712	64,393	1.3%	2,876,813	7,945,525	6,390,825
TOTAL INCOME	44,421,031	44,325,733	95,298	0.2%	26,299,793	70,625,526	59,595,357
TOTAL OFFICE COSTS	3,811,493	3,733,285	78,208	2.1%	1,388,989	5,122,274	2,661,942
TOTAL STAFF COSTS	32,328,041	31,864,543	463,499	1.4%	19,891,589	51,756,132	43,093,014
TOTAL TRAINING AND RECRUITMENT	934,739	765,752	168,988	18.1%	537,530	1,303,282	824,718
TOTAL IT COSTS	3,040,428	2,749,183	291,246	9.6%	1,724,792	4,473,975	4,486,368
TOTAL PROJECT SPEND	422,336	396,409	25,927	6.1%	1,292,591	1,689,000	1,230,073
TOTAL COMMUNICATIONS	276,200	141,321	134,879	48.8%	308,379	449,700	280,071
TOTAL FINANCIAL COSTS	105,000	101,966	3,034	2.9%	67,034	169,000	230,960
TOTAL TRAVEL	52,144	62,297	10,153	-19.5%	92,953	155,250	69,643
TOTAL LEGAL, PROFESSIONAL & OTHER	2,505,989	1,700,680	805,310	32.1%	2,623,749	4,324,429	1,862,617
TOTAL COSTS	43,476,370	41,515,436	1,960,938	4.5%	27,927,606	69,443,042	54,739,406
CAPITAL SPEND	0	0	0	[Red]-	1,021,000	1,021,000	504,073
SURPLUS/ (DEFICIT)	944,661	2,810,297	1,865,640	-197.5%	2,648,813	161,484	4,855,951

Income

Overall, income is slightly behind profile at November month end, with DP fee income £31k below forecast. Proactive contact with organisations has helped to support the renewals and acquisitions metrics through the year. The year to date renewal rate was 90.22% at the end of November and at the end of the month the register has surpassed the 1m milestone with 1.067m organisations on the fee register, against a year-end target of 1.13m. Cumulatively 221,202 new registrations were added this financial year by the end of November, against a target of 242,914.

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 received additional funding of £369k from the BEIS led Regulators' Pioneer Fund – this funding has to be spent in this financial year, and therefore had 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	4,776,694	39,287,926	39,257,021	-30,905
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 exception of Travel, all of which have been reviewed in half year budget meetings to assess the Q2 and full year position, with amendments made as required. A full Q3 deep dive review is in progress to ensure that the budgets allocated remain realistic, and to ensure that any underspends can be identified early for potential reallocation to other areas of priority in Q4 2021/22.

End of year position

The year end is currently budgeted to generate a surplus of £161k. As aforementioned, the deep dive Q3 review is underway and an update on the outcome of this will be reported in the December Management Accounting update. Should underspends be identified as part of this review, there are priority projects to support our strategic objectives and regulatory priorities that are awaiting funding approval which will be considered.