

Financial Report – March 2025

Executive Summary

This report sets out the ICO's financial position at the end of March 2025.

In February, we reported an expected break-even position for the full financial year.

The final out-turn including the results for the final month of March are shown in Table 1. This shows a surplus of £1.3m due to additional income and lower expenditure relative to expectations. In summary:

Income

For the full year we have exceeded our income expectations by £0.7m. This was split across DP fee income and other income as follows:

- We ended the year with £73.8m of DP fee income, £0.5m ahead of the Business Services forecast expectation for the year. We had previously estimated that the DP fee increase implemented in mid February would generate an additional £2.7m in fee income this financial year, with the actual impact being confirmed marginally higher at £2.8m. The remainder of the variance £0.4m is linked to improved in year income performance.
- The £0.2m other income related to a charge to Ofcom to cover the ICO's resourcing for the Digital Regulators Cooperation Fund Artificial Intelligence and Digital Hub pilot.

Expenditure

As we reported in February, there was a significant level of expenditure planned in the final month of March and therefore a risk of significant full-year under-spends should individual budget areas not deliver on their plans.

However, the full risk of significant under-spends reported did not occur as budget areas substantially delivered on plans and successfully accelerated the pace of spending in the final month.

Final under-spends for the full-year were £0.7m relative to expectations across revenue and capital expenditure.

Table 1 also illustrates the significant changes between the original budget deficit of £9.2m to the £1.3m surplus now reported. These changes reflect a year in which the ICO's budgetary position has necessarily been fluid, as it responded to a number of significant financial challenges including:

- The delayed implementation of the DP fee review, with increased delays encountered as a result of the General Election and the confirmation of new funding to cover this particular impact;
- The identification of cost reductions through pausing and deferring expenditure;
- The final implementation of the fee review in-year including the establishment of the new DP fee rates to successfully collect fees due on a timely basis;
- The recovery and retention of civil monetary penalties; and
- The generation of additional other income.

Table 1: March Consolidated Management Accounts	Full year - March					
	Draft Budget £'m	Forecast £'m	Variance £'m	Actual £'m	Out-turn against forecast £'m	23/24 £'m
DP FEE INCOME	76.7	73.3	-3.4	73.8	0.5	66.2
GRANT IN AID	7.2	16.0	8.8	17.1	1.0	9.7
OTHER GOVERNMENT FUNDING	0.4	1.0	0.6	0.0	-1.0	0.4
FINE RETENTION INCOME	0.7	1.6	0.9	1.5	-0.1	4.0
DRAWDOWN FROM RESERVES	0.0	0.0	0.0	0.0	0.0	6.9
OTHER INCOME	0.0	0.4	0.4	0.7	0.3	0.4
TOTAL INCOME	85.0	92.4	7.4	93.1	0.7	87.6
STAFF COSTS	71.6	72.3	0.7	72.5	0.2	68.7
TRAINING AND RECRUITMENT	1.8	1.0	-0.8	1.0	0.0	0.9
OFFICE COSTS	4.5	5.1	0.6	4.9	-0.1	4.7
IT COSTS	7.0	6.3	-0.7	6.0	-0.3	5.0
PROJECT SPEND (NON-CAPITAL)	3.5	1.7	-1.8	1.3	-0.4	0.0
COMMUNICATIONS	0.5	0.3	-0.2	0.2	-0.1	0.3
FINANCIAL COSTS	0.5	0.4	-0.2	0.4	0.1	0.3
TRAVEL	0.8	0.6	-0.2	0.6	-0.1	0.7
LEGAL, PROFESSIONAL & OTHER	4.0	3.3	-0.7	3.1	-0.2	5.1
TOTAL COSTS	94.2	90.9	-3.3	90.1	-0.8	85.7
Capital Spend	0.0	1.5	1.5	1.7	0.2	1.9
SURPLUS/(DEFICIT)	-9.2	0.0	9.2	1.3	1.3	0.0