

**Finance Report Summary, Financial Year 2019/20
May 2019**

Executive Summary

May 2019 represents the second month of the financial year, with a year to date surplus of c£1.1m, against a budgeted surplus of c£0.75m (excluding capital). This is driven as a result of income being c£0.1m favourable to budget and expenditure (excluding capital) being c£0.2m favourable. The staffing budget includes assumed costs for Career Progression payments which will be updated once the process is finalised. Both the travel and legal budgets have been highlighted as areas that need close monitoring during the year as they may come under increasing pressure throughout the financial year. The DP fee income is slightly ahead of the budget by c£0.1m, however it is too early in the year to start forecasting that this will outturn greater than the original budget, particularly given the variances seen for the first two months of the financial year. There is anticipated further growth in the fee income during the year which is budgeted to be later in the year.

Description	YTD	April	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Year end forecast	Total Budget	Variance to Budget
	RAG RATING	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
DP FEE INCOME	G	3,764	4,611											46,560	46,560	0
GRANT IN AID	G	386	386											4,626	4,626	0
OTHER INCOME	G	107	107											1,272	1,272	0
OFFICE COSTS	G	246	387											3,666	3,666	0
STAFF COSTS	G	2,833	2,847											38,660	38,660	0
TRAINING AND RECRUITMENT	G	66	85											860	860	0
IT COSTS	G	244	280											3,625	3,625	0
PROJECT SPEND	G	81	272											2,075	2,075	0
COMMUNICATIONS	G	109	41											684	684	0
FINANCIAL COSTS	G	9	6											188	188	0
TRAVEL	A	102	99											678	678	0
LEGAL, PROFESSIONAL & OTHER	A	94	477											2,023	2,023	0
CAPITAL SPEND	G	0	0											650	650	0
OPERATING SURPLUS	G	470	608											0	0	0

<u>Key</u>	RAG RATING
On track	G
Not on track but expected to be at budget at year end	A
Not expected to be at budget at year end	R

Income

The DP income for the month of May is adverse (£0.15m) to budget for the month although it remains ahead of year to date budget by c£0.1m. Year to date, the ICO collected DP fees of £8.4m against a budget of £8.3m. May income figures include a number of organisations that were due to renew and pay for the first time under the new GDPR fee regime, this means the amount collected in May 2018 (£3.19m) compared to May 2019 (£4.61m) is materially different.

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. This is all on track for the year and is received in tranches.

Other income mainly includes £1m of income forecast from DCMS to cover the increase in pensions. This is for one year only and offsets a corresponding cost in the staffing budget

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		
July	3,910		
August	3,639		
September	3,987		
October	4,161		
November	4,010		
December	2,817		
January	3,883		
February	3,777		
March	4,213		
Total	46,559		

Expenditure

A number of lines of expenditure are outside the expected outturn year to date, with Travel and Legal, Professional & Other being prominent. Travel expenditure will need careful monitoring and management. Travel and Legal expenses are often driven by external pressures, however travel in particular may benefit from closer scrutiny to ensure there is not a significant overspend within the financial year. Legal expenses are another area that need close monitoring as the extent of these depends significantly on the response to fines raised by external organisations.

The staffing budget includes the assumed increase in costs of higher pension contributions and included assumptions on the cost of Career Progression and revalorisation. The final outturn to the staffing bill due to Career Progression should be known in July once the initial round is finalised

The communications budget include an element of income offsetting conference costs. These have been collected but the actuals in month include additional conferences costs which will generate future income

End of year position:

The year end is still forecast to break even, although further work is being carried out to review this position.