
**Finance Report – Year Ending 31
March 2020**

Agenda item: 10
LTW624
Drafted: 29.05.20

This accounts commentary highlights significant variances from budget in the actual financial results to the year ending 31 March 2020.

Revenue Income & Expenditure Report

1. Revenue Income

Additional Grant in aid funding of £183,000 was agreed with the GLA in the year to meet the Compensation for loss of office costs and fund one off redundancy payments.

2. Revenue Expenditure

Staff costs:

Staff costs were significantly higher than budget due to staff changes, transitional arrangements and costs of redundancy payments in the year. In addition changes to the pension scheme contributions made by employers were higher than originally budgeted.

Other staff related costs – non pay:

Other non pay staff related costs were higher than budget due to higher than anticipated payroll processing costs as a result of a system upgrade during the year, recruitment costs for the Director post and staff training and development costs being higher than anticipated.

Accommodation:

The outturn for the year was £16,000 lower than budget due to some of the ongoing running costs following the office move last year being lower than anticipated. In addition the rent free payment period has been spread over the term of the lease which has reduced costs in the current year but was not factored into the budget.

Supplies and services:

The outturn is slightly higher than budget as the fee agreed for external audit was £3,000 higher than the previous year. This was funded through the favourable variance on accommodation costs. In addition IT support costs were slightly lower than anticipated for the year. This favourable variance in IT support costs was used to part fund an upgrade to the Customer Relationship Management (CRM) system in addition to funds made available from the accommodation cost variance.

Funding from/to reserves and reserves at the year-end

The outturn for the year resulted in a Revenue Surplus of £2,000 which will be transferred to reserves leaving a closing Reserve balance of £49,000.

3. Cash Flow

The bank balance at 31 March was £19,000. A grant payment of £284,000 was received from the GLA on 1 April to cover anticipated costs to 30 June 2020.

4. Future Year Outlook

Following Board approval in April the budgets for 2020-21 have been set which include a budget reserve of £75,000. Of this £15,000 has been provisionally allocated to replacement laptops for all staff and £20,000 to employ a freelance digital engagement specialist. The balance will be made available for campaign work or any other emerging costs.

5. Recommendation

That the Board consider the report and review the management accounts.

Shahid Mohammed

Finance Manager