
Finance Report – Month Ending 30 September 2021

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Agenda item: 9

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This accounts commentary highlights the most significant variances from forecast in the actual financial results to the month ending 30 September 2021 and the forecast outturn for the year 2021/22. A mid-year budget review was completed in September and the forecasts have been updated accordingly to reflect.

Revenue Income & Expenditure Report

1 Revenue Income

Grant of £1,089,000 was agreed with the GLA for the year and payment has been received in full. The income has been profiled over the course of the year and will be allocated in the accounts monthly

2 Revenue Expenditure

Members costs:

Members pay forecast outturn is lower than budget as the original budget assumed six board members would be in position for the year. However, one board member left on the 31 March 2021 and the forecast outturn has been updated to reflect this. In addition two new board members are now anticipated to be in post from 1 January 2022. The forecast underspend was transferred to reserves.

Staff costs:

Staff costs to date are in line with forecast. The forecast outturn includes a 2% cost of living pay uplift backdated to 1 April and is assumed to be paid in quarter three. The forecast outturn is lower than budget as the budget included provision for redundancy costs for a post which was made redundant in April but was accounted for and funded from reserves at 31 March 2021. This has been partially offset by staff costs for a part-time Policy and Communications Support Officer for 9 months, a Digital Engagement Officer assumed to be in post for 6 months, and safety advice support from January 2022. All of these were not assumed in the original budget. The forecast has been adjusted to reflect this and the remaining balance has been transferred to reserves so reserves can be maintained at the agreed level.

Accommodation:

Accommodation costs are in line with forecast. The forecast outturn has been updated to reflect the actual business rates charges for the year, a service charge credit received in the period in relation to the 2020/21 financial year, and the correct accounting treatment for the rent-free period at our Europoint offices as agreed with the external auditors. The forecast underspend has been transferred to reserves to maintain reserves at the agreed level and the balance has been allocated to project reserves. The budget includes £10,000 for any potential office relocation costs.

Supplies and services:

Supplies and services costs are in line with forecast to date. The forecast outturn has been reduced to reflect actual insurance charges for the year and slightly lower IT support and photocopying charges than assumed in the original budgets.

Campaigns and Project Costs:

Costs to date are in line with forecast. £53,000 has been allocated to the Personal Security project, £8,000 more than the provisional allocation, £33,000 to the Bus Campaign, £12,000 less than the provisional allocation, and £3,000 for Alliance Against Service Cuts. A balance of £96,000 is still available. Plans are currently being scoped for the project reserves and are expected to be fully committed over the coming months.

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

The opening reserve at 1 April was £3,000 in surplus following the funding of redundancy costs at 31 March from reserves. The forecast outturn for the year is expected to result in a revenue surplus of £47,000 which will be transferred to reserves leaving a forecast closing reserve balance of £50,000 at 31 March 2022.

3 Cash Flow

The bank balance at 30 September was £606,000.

4 Recommendation

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

Shahid Mohammed
Finance Manager