
Finance Report – Month Ending 28 February 2022

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Agenda item: 8
LTW681
Drafted: 11.03.22

This accounts commentary highlights the most significant variances from forecast in the actual financial results to the month ending 28 February 2022 and the forecast outturn for the year 2021/22. Periodic budget reviews have been completed 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 three new board members were appointed from 1 January 2022, one of which was a replacement for a member whose term ended on the 31 December 2021. The forecast underspend was transferred to reserves.

Staff costs:

Staff costs to date are in line with forecast. 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 Advocacy Officer for 9 months and a Digital Engagement Officer assumed to be in post for 6 months. These were not assumed in the original budget. In addition Chief Executive costs in the final quarter have been removed, as has a previously assumed 2% cost of living pay uplift for all staff from April as the GLA has confirmed this will not be awarded across GLA bodies in line with the public

sector pay pause. 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.

Other Staff Related costs – non pay:

Costs to date are in line with forecast. The forecast outturn is higher than budget due to higher than anticipated recruitment fees and training and development costs than assumed in the original budgets.

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. In addition the £10,000 budget for potential office relocation costs has been released. The forecast underspend has been transferred to reserves to maintain reserves at the agreed level and the balance has been allocated to project reserves.

Supplies and services:

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

Campaigns and Project Costs:

Costs to date are in line with forecast. Final costs for the Personal Security project were £4,000 more than the budgeted provisional allocation. £39,000 has been allocated to the Bus Campaign, £6,000 less than the budgeted provisional allocation, £4,000 for Alliance Against Service Cuts and £58,000 for the Rail research project. A balance of £20,000 remains available in project reserves and it is now anticipated this will be released and transferred to reserves at 31 March.

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, excluding any further release of funds from Campaigns and Projects, 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 28 February was £192,000.

4. Recommendation

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

Shahid Mohammed
Finance Manager