
Finance Report – Month Ending 28 February 2023

Agenda item: LTW707

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This accounts commentary highlights the most significant variances from forecast in the actual financial results to the month ending 28 February 2023 and the forecast outturn for the year 2022-23. Periodic budget reviews are undertaken and the forecasts updated accordingly to reflect.

Revenue Income & Expenditure Report

1. Revenue Income

Grant of £1,089,000 has been received from the GLA for the year. In addition further funding of £22,000 has been provided for an increase to national insurance contributions and a 3.2% pay award awarded to staff. Income has been profiled and allocated monthly in the accounts.

The forecast assumes surplus accumulated funds of £53,000 at 31 March 2022 will not be required to be repaid to the GLA following recent discussions with GLA colleagues.

It has been agreed with Transport Focus that to address an imbalance in the Collaboration agreement in favour of London TravelWatch, Transport Focus will not pay a Casework Retainer fee for the year as budgeted. The forecast has been reduced to zero to reflect and previously paid fees by Transport Focus have been refunded.

2. Revenue Expenditure

Staff costs:

Staff costs to date are in line with forecast. The full year forecast is lower than budget as the budget assumed a number of vacancies would be filled from 1 April but the full year forecast has been updated to reflect the actual start dates which were later than originally assumed.

Temporary staff costs budget included a provision for staff requirements in relation to Ticket Office closures. The forecast has been updated to re-allocate these costs to a stand-alone Ticket Office Closures project.

External audit, insurance, HR consultancy, legal costs & bank charges

The forecast outturn is higher than budget as additional HR consultancy around Inclusive recruitment and Employment practices and contracts has been provided in the year. A small provision has been provided for any potential legal fees.

IT support, software and office equipment costs

The forecast outturn is higher than forecast due to additional IT equipment purchased in the year.

Recruitment costs

Costs to date are in line with forecast. The year-end forecast is higher than budget, but the figure is a significant improvement to previous reports to the Board, reflecting the final costs of the CEO recruitment campaign.

Communications, Website and Digital Engagement costs

Forecast costs are slightly higher than budget as the forecast has been increased to include website migration costs which have been partially offset by lower than anticipated Digital engagement costs.

Campaigns and Project Costs:

Forecasts of £29,000 for the Personal Security project, £38,000 for the Bus campaign, £58,000 for Digital Inclusion and £10,000 for research on the Impact of South Eastern Timetable Changes have been assigned.

In addition a project for Ticket Office Closures has been created and the forecast costs of £24,000 have been re-allocated from Temporary staff costs. It is uncertain if these funds will be utilised this financial year and if they are not it is likely they will be required next year. As such, this will continue to be monitored over the coming months and may need to be moved into reserves at year end.

No further projects are anticipated to be commissioned in the final month and any remaining project reserves have been released and transferred to reserves.

All other costs are in line with forecast and budget.

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

The opening reserve balance at 1 April was £103,000. £11,000 of these reserves will be utilised to fund spending in the year leaving a closing forecast reserve of £92,000.

3. Cash Flow

The bank balance at 28 February was £283,000.

4. Recommendation

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