
Finance Report (Month Ending 28 February 2025) And Draft Budget 2025-26

Board paper no: LTW782
Drafted: 12.03.25

Author: Shahid Mohammed, Head of Finance

This accounts commentary highlights the most significant variances from forecast in the actual financial results to the month ending 28 February 2025 and the forecast outturn for the year 2024-25. Periodic budget reviews are undertaken and the forecasts updated accordingly to reflect.

Revenue Income & Expenditure Report

1. Revenue Income

Grant of £1,182,000 has been agreed with the GLA for the year which includes £37,000 (4.5%) funding for a cost of living pay award to all staff which is in line with GLA awards. Income has been profiled and allocated monthly in the accounts. Bank interest received is slightly higher than budgeted due to favourable interest rates in the year.

2. Revenue Expenditure

Staff costs:

Staff costs to date are in largely line with revised forecast profile. The forecast outturn is £38,000 lower than budgeted for the year due to the vacancies for the Head of communications in the first half of the year and the Deputy Board Chair in the period. In addition the forecast assumptions for Board members have been updated to reflect changes in membership. This £38,000 has been transferred to reserves.

Overheads:

Costs to date are slightly lower than anticipated.

The revised budget is £15,000 lower than originally budgeted. This has been due mainly to revising down the budget for Training and development and Recruitment to reflect actual anticipated spend in the year, offset by a re-allocation of £7,000 to Communication and Website for website design upgrade costs. £15,000 has been transferred to reserves.

Project costs:

There is significant forecast underspend of around £60,000 in the projects budget compared to the planned £125,000 spend at the start of the year. The original allocation was an indicative provision to support if needed our priority themes: over the course of the year, a combination of pressures on staff time and changes in our plans have resulted in an outturn which is substantially different to what we initially expected.

At the start of the year, we worked on the basis of very modest provision for the first two priority themes listed in the project costs section of the table (neither of which was subsequently spent), with the bulk of the £125,000 earmarked for the other four themes listed in this section.

We later shelved our original intention under the “improved LTW insight” heading to commission work on future transport (the £9,000 revised budget full year forecast for this line is for the first phase of work on passenger priorities); and under “closer working with Transport Committee” we had set aside funds to support the work of the Committee but which in the event were not needed.

The expenditure under “further action on inclusion” accounts for the work of Lacuna in supporting the digital exclusion mystery shopping exercise; and the £35,000 forecast expenditure under “better public transport” relates predominantly to the work already carried out by Oxera on value for money but not yet finalised or invoiced.

All other costs are largely in line with forecast and budget.

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

The opening reserve balance at 1 April was £171,000 following audit completion. A further £55,000 is forecast to be transferred to reserves leaving a closing forecast reserve of £226,000 at 31 March 2025.

3. Cash Flow

The bank balance at 28 February was £365,000.

4. Budget 2025-26

The proposed London TravelWatch budget for 2025-26 is set out in the table accompanying this report.

The London Travelwatch's grant in aid funding from the Greater London Authority is expected to be £1.203 million for 2025-26 (2023-24: £1.182 million) which includes additional funding for an annual cost of living pay award.

Aside from some small changes compared with the 2024/25 Budget in provision for individual items of expenditure, the main changes are an increase in expenditure on staff salaries (to account for the annual cost of living pay award) and a reduction in the project costs budget to a more deliverable level. Subject to further work on the project plans referred to in the Chief Executive's report for this Board meeting, we expect the bulk of this £100,000 to be set aside to support our work under business plan themes 2 (more accessible, inclusive and secure transport) and 4 (better transport services), with a smaller amount earmarked under theme 5 (closer working with the Transport Committee).

The budgeted increase in closing general reserve by the end of March 2026 is in line with principle agreed with the Transport Committee that London TravelWatch should build up its financial reserve.

5. Recommendation

That the Board consider the report, review the management accounts and approve next year's budget.