

Report to:	QSMTM Q3
Report by:	Helen Gardner-Swift, Head of Corporate Services (HOCS) Kim Berry, Finance and Administration Manager (FAM)
Meeting Date:	14 February 2024
Subject/ Title: (and VC no)	Finance Report Q3 2023-24 VC200793
Attached Papers (title and VC no)	Financial Summary – Variance Analysis as at 31 December 2024 VC200794

Purpose of report

1. This Committee Report (CR) has the following purposes:
 - to update the Senior Management Team (SMT) on the organisation spend against the agreed 2023-24 budget as at 31 December 2024.
 - to update the SMT on any instances of fraud in Q3 2023-24 and to the date of this committee report.

Recommendation and actions

2. I recommend that the SMT:
 - (i) notes the CR and the Financial Summary – Variance Analysis as at 31 December 2024
 - (ii) agrees that the CR and the Financial Summary – Variance Analysis as at 31 December are published in full as set out in paragraph 17.

Executive summary

Financial Summary – Variance Analysis as at 31 December 2024

3. The Financial Summary – Variance Analysis as at 31 December 2024 provides details of organisation spend against the approved budget up to the end of Q3 2023-24.
4. Key points to note:
 - the “Budget year to date” column shows the allocated budget for the first nine months of the financial year. To obtain the relevant figure, each approved budget line amount is divided by 12 and then multiplied by 9 (the number of months).
 - The variance amounts can be misleading at this point in the financial year – for example, expenditure may appear to be over budget at the end of Q3 but could be under budget by the end of the next quarter.

Underspends – Q3 2023-24

5. The main underspends are:
 - Property Costs – cleaning

- there has been a reduced cleaning service due to cleaning staff availability
- Maintenance
 - there are additional scheduled costs in Q4 – annual gutter/roof checks and maintenance, Portable Appliance Testing, annual water maintenance checks.
- Professional Fees – auditor
 - Auditor - the first instalment of the external audit fee for 2023-24 due to be invoiced in January 2024
 - Legal Advisers – minimal legal advice costs have been incurred to date
 - Other Fees – internal audits are due to be carried out Q4
- Running Costs
 - Publicity and Promotion – expenditure is affected by the timing of project work
- Capital Expenditure
 - expenditure is due to be incurred in Q4 of the financial year

Overspends – Q3 2023-24

6. The following expenditure should be noted:
- Officeholder staff costs have increased due to a salary uplift in 2023-24, which was not able to be included in the 2023-24 budget submission
 - Staff costs
 - the agreed pay reform exercise (which took effect from 1 February 2022-23) resulted in additional salary costs for both 2022-23 and 2023-24
 - Senior Management Staff Costs - the overspend reflects the additional costs incurred as a result of the pay reform exercise
 - Other Staff Costs - the additional costs incurred as a result of the pay reform exercise have been offset by other staff savings.
 - Staff Related Costs - Recruitment
 - there is no allocated budget for expenditure on external recruitment
 - additional costs were incurred as a result of external recruitment exercises undertaken in August and November 2023
 - it should be possible to offset the additional costs against potential cost savings in other areas.
 - Running Costs
 - IT and Insurance - the overspends have arisen as a result of the timing of annual contract renewals and should even out across the financial year
 - other overspends should even out across the financial year

Instances of fraud – Q3 2023-24

7. As far as I am aware:

- there were no instances of fraud affecting our office in Q3
- there have been no instances of fraud affecting our office to date (14/02/24) in 2023-24.

Risk impact

8. This CR helps to mitigate the impact of strategic and operational risks relating to the monitoring of resources. If resources are not monitored effectively this may affect business continuity and, also, result in the inefficient and inappropriate use of resources.

Equalities impact

9. There is no direct equalities impact arising from this CR.

Privacy impact

10. There is no direct privacy impact arising from this CR.

Resources impact

11. There is no additional resource impact as regards the preparation of this CR and the quarterly Financial Summary – Variance Analysis.
12. This CR helps us to monitor the impact of expenditure and the level of resources that are available during the financial year.

Operational/Strategic plan impact

13. Preparation of this CR and the quarterly Financial Summary – Variance Analysis fall within Business as Usual and the related governance reporting as set out in the Operational Plan 2023-24 and the Governance Reporting Arrangements 2023-24.
14. This CR helps us to monitor our resources and the impact on planned work carried out in 2023-24, as set out in the Operational Plan 2023-24.

Records management impact (including any key documents actions)

15. None – other than the publication requirements as set out in this CR.

Consultation and Communication

16. QSMTM Q3 minute.

Publication

17. This CR and the Financial Summary – Variance Analysis as at 31 December 2024 should be published in full.