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| <b>Report to:</b>                           | MSMTM   |
| <b>Report by:</b>                           | Helen Gardner-Swift, Head of Corporate Services (HOCS)<br>Kim Berry, Finance and Administration Manager (FAM) |
| <b>Meeting Date:</b>                        | 21 December 2022  |
| <b>Subject/ Title:</b><br>(and VC no)       | Finance Report Q2 2022-23<br>VC178447   |
| <b>Attached Papers</b><br>(title and VC no) | Financial Summary – Variance Analysis as at 30 June 2022<br>VC178443  |

## Purpose of report

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1. This Committee Report (CR) has the following purposes:
  - to update the Senior Management Team (SMT) on the organisation spend against agreed 2022-23 budget as at 30 September 2022
  - to update the SMT on any instances of fraud in Q2 2022-23.

## Recommendation and actions

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2. I recommend that the SMT:
  - (i) notes the CR and the Financial Summary – Variance Analysis as at 30 September 2022
  - (ii) agrees that the CR and the Financial Summary – Variance Analysis as at 30 September 2022 are published in full as set out in paragraph 18.

## Executive summary

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### Financial Summary – Variance Analysis as at 30 September 2022

3. The Financial Summary – Variance Analysis as at 30 September 2022 provides details of organisation spend against the agreed budget up to the end of Q2 2022-23.
4. Key points to note:
  - (i) the “Budget year to date” column shows the budget for the first six months. Each approved budget line amount is divided by 12 and multiplied by the relevant number of months.
  - (ii) the variance amount may be somewhat misleading – for example, we may be over budget in this quarter but under budget in the next quarter.

Underspends – Q2 2022-23:

5. The main underspends, to date, are:
  - staff costs - due to staff vacancies
  - cleaning – invoices for July to October are under dispute due to required credit notes not yet being supplied by the service provider

- capital expenditure this expenditure is likely to be incurred in Q 3 and Q4

Overspends – Q2 2022-23:

6. The following expenditure should be noted:

- Officeholder staff costs – these have increased due to revised salary arrangements and an uplift in 2022-23 which was not anticipated when the budget submission for 2022-23 was made
- IT – the overspend is due to annual renewal of case management system licences and support and will even out across the financial year
- all other current overspends - these should even out across the financial year
- recruitment costs - there is no allocated/approved budget for recruitment costs and costs have been incurred relating to the current recruitment of staff. The overall expenditure for this financial year may also increase due to future recruitment. This expenditure will be monitored by the FAM and the HOCS and, if this cannot be met from within our approved budget allocation an application to the Officeholder's Contingency Fund may be required.

Contingency

7. As part of the budget approval for 2022-23 the Commissioner was allocated £100,000 from the Officeholders Contingency Fund (OCF) - £70,000 for the Phase 2 website development and £30,00 for lease obligations (internal painting of the office premises).
- The SPCB have been notified that Phase 2 of the website development will not be going forward this year.
  - The contract for internal painting of the office premises has been awarded and the work is due to commence in Q4. The HOCS and FAM will liaise with the SPCB to determine if the costs are to be met from existing resource/budget savings or if a drawdown from the OCF is required.

**Instances of fraud – Q2 2022-23**

8. As far as I am aware, there were no instances of fraud affecting our office in Q2 and, also, there have been no instances of fraud affecting our office to date in 2022-23 (12/12/22).

**Risk impact**

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9. 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**

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

**Privacy impact**

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

## **Resources impact**

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12. There is no additional resource impact as regards the preparation of this CR and the quarterly Financial Summary – Variance Analysis.
13. 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**

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14. 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 2022-23 and the Governance Reporting Arrangements 2022-23.
15. This CR helps us to monitor our resources and the impact on planned work carried out 2022-23, as set out in the Operational Plan 2022-23.

## **Records management impact (including any key documents actions)**

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

## **Consultation and Communication**

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17. MSMTM minute.

## **Publication**

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18. This CR and the Financial Summary – Variance Analysis as at 30 September 2022 should be published in full.