

Report to:	MSMTM (joint deferred August and September meeting)
Report by:	Helen Gardner-Swift, Head of Corporate Services (HOCS) Kim Berry, Finance and Administration Manager (FAM)
Meeting Date:	11 October 2023
Subject/ Title: (and VC no)	Finance Report Q1 2023-24 VC194269
Attached Papers (title and VC no)	Financial Summary – Variance Analysis as at 30 June 2023 VC194268

Purpose of report

1. This Committee Report (CR) has the following purposes:
 - to update the Senior Management Team (SMT) on the organisation spend against agreed 2023-24 budget as at 30 June 2023
 - to update the SMT on any instances of fraud in Q1 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 30 June 2023
 - (ii) agrees that the CR and the Financial Summary – Variance Analysis as at 30 June 2023 are published in full as set out in paragraph 17.

Executive summary

Financial Summary – Variance Analysis as at 30 June 2023

3. The Financial Summary – Variance Analysis as at 30 June 2023 provides details of organisation spend against the agreed budget up to the end of Q1 2023-24.
4. Key points to note:
 - (i) the “Budget year to date” column shows the budget for the first three 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 at this moment in time but under budget in the next quarter.

Underspends - Q1 2023-24:

5. The main underspends, to date, are:
 - cleaning – reduced cleaning service due to cleaning staff availability
 - legal advisers – no legal advice costs incurred to date
 - publicity and promotion – expenditure is affected by the timing of project work

- capital expenditure – this is likely to be incurred in quarters 3 and 4

Overspends - Q1 2023-24:

6. The following expenditure should be noted:

- Officeholder staff costs – these 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 pay reform (which was backdated to 1 February 2022-23) has resulted in additional salary costs for 2023-24. The overspend on Senior Management staff costs reflects the pay reform, however, for other staff costs, this has been offset by other staff savings.
- The following overspends for Q1 are predominantly a result of timing of annual contract renewals and should even out across the year:-
 - Maintenance – renewal of contracts
 - Auditor fees – timing of invoices
 - Other Fees – renewal of employment service and insurance contracts
 - Administration costs – renewal of contracts
 - IT – due to annual renewal of case management system licences and support
 - Insurance – renewal of annual insurance
- all other current overspends should even out across the financial year

Instances of fraud – Q1 2023-24

7. As far as I am aware, there were no instances of fraud affecting our office in Q1 and, also, there have been no instances of fraud affecting our office to date (19/09/23) 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 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 minute.

Publication

17. This CR and the Financial Summary – Variance Analysis as at 30 June 2023 should be published in full.