

<b>Report to:</b>	QSMTM Q2
<b>Report by:</b>	Helen Gardner-Swift, Head of Corporate Services (HOCS) Kim Berry, Finance and Administration Manager (FAM)
<b>Meeting Date:</b>	9 November 2023
<b>Subject/ Title:</b> (and VC no)	Finance Report Q2 2023-24 VC196928
<b>Attached Papers</b> (title and VC no)	Financial Summary – Variance Analysis as at 30 September 2023 VC196931

## 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 the agreed 2023-24 budget as at 30 September 2023
  - to update the SMT on any instances of fraud in Q2 2023-24 and to the date of this committee report.

## 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 2023
  - (ii) agrees that the CR and the Financial Summary – Variance Analysis as at 30 September 2023 are published in full as set out in paragraph 17.

## Executive summary

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### Financial Summary – Variance Analysis as at 30 September 2023

3. The Financial Summary – Variance Analysis as at 30 September 2023 provides details of organisation spend against the approved budget up to the end of Q2 2023-24.
4. Key points to note:
  - the “Budget year to date” column shows the allocated budget for the first six months of the financial year. To obtain the relevant figure, each approved budget line amount is divided by 12 and then multiplied by 6 (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 Q2 but could be under budget by the end of the next quarter.

### Underspends - Q2 2023-24

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

- there has been a reduced cleaning service due to cleaning staff availability
- Professional Fees – auditor
  - Auditor - the first instalment of the external audit fee for 2023-24 will be invoiced in January 2024
  - Legal Advisers – no legal advice costs have been incurred
- Running Costs
  - Publicity and Promotion – expenditure is affected by the timing of project work
- Capital Expenditure
  - this expenditure is due to be incurred in the second half of the financial year

#### Overspends - Q2 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 an external recruitment exercise undertaken in August 2023
  - in due course, it may be possible to offset the additional costs against potential cost savings in other areas.
- Property Costs – Utilities
  - the overspend should even out across the financial year
- 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 – Q2 2023-24

7. As far as I am aware:
- there were no instances of fraud affecting our office in Q2
  - there have been no instances of fraud affecting our office to date (09/11/23) in 2023-24.

## Risk impact

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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

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

## Privacy impact

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

## Resources impact

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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

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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)

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

## Consultation and Communication

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16. QSMTM Q2 minute.

## Publication

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