

2023/24 Financial Position at 31 March 2024

1. Executive Summary

1.1 The overall position at the year-end was a deficit of £127k. This consisted of a £213k deficit in Regulatory Activity and £86k surplus in Accredited Registers. The planned deficit for Regulatory Activity was £100k (£100k returned to regulators), therefore the additional deficit for the year in Regulatory Activity was £113k.

1.2 The main drivers for the additional end of year deficit are:

- £80k overspend on staff costs both in regulatory activity and Accredited registers. This is due to an extra position in Policy counteracted by re-organisation in the Accreditation and Regulation area as well as an extra position in Accredited Registers.
- £283k overspend in S29 legal costs. These have increased due to the increased number of cases and higher legal costs.
- This was counteracted by £133k increase in S29 recoveries.
- Purchase of the new HR and payroll system.

2. 2023/24 Income and Expenditure Corporate Summary end of year position

Table 1

	2023/24 Budget	2023/24 Actual	Actual /Budget variance	2024/25 Budget
	£'000	£'000	£'000	£'000
Income				
Fees Income	4,637	4,637	-	4,869
Operating Income	148	332	184	127
Accredited registers	671	674	3	691
Total Income	5,456	5,643	187	5,687
Expenditure				
Staff costs	3,724	3,804	(80)	4,022
Administration costs	1,590	1,847	(257)	1,671
Accredited registers	235	119	116	202
Total expenditure	5,549	5,770	(221)	5,895
Surplus/ (deficit)	(93)	(127)	(34)	(208)

3. Sectoral summary - Regulatory Activity

3.1 Income and expenditure breakdown.

Table 2

Income and expenditure	2023/24 Budget	2023/24 Actual	Actual /Budget variance	2024/25 budget
	£'000	£'000	£'000	£'000
Fee Income from regulators	4,637	4,637	0	4,869
Operating Income				
S29 cost recoveries	143	276	133	119
Investment interest	5	50	45	8
Conferences income	0	6	6	0
Total Income	4,785	4,969	184	4,996
Staff costs	3,295	3,335	(40)	3,615
Recruitment costs	32	42	(10)	15
Training and Conferences	75	51	24	73
HR and payroll costs	27	65	(38)	14
Staff travel	10	10	0	10
Occupancy costs	331	379	(48)	324
Audit costs	72	62	10	68
IT costs	151	129	22	136
Board appointments	0	0	0	100
Board remuneration/ expenses	130	129	1	145
Depreciation/C apital costs	50	75	(25)	50
Conferences	60	18	42	45
Policy development	50	63	(13)	75
Public affairs	15	20	(5)	45
Publications	21	1	20	109

Direct S29 legal costs and case review	371	654	(283)	369
Other costs	195	149	46	93
Total admin costs	1,590	1,847	(257)	1,671
Surplus/(deficit)	(100)	(213)	(113)	(290)

- 3.2 £40k increase in staff costs are due to an additional post in Standards and Policy; some are offset by savings made by the Regulation and Accreditation restructure.
- 3.3 £10k overspend in recruitment costs is due to higher number of recruitment exercises than anticipated going through specialist agencies.
- 3.4 £38k overspend in HR and payroll costs are partly due to implementation costs for the new payroll and HR system which is expected to be fully functioning by the end of May 2024.
- 3.5 £48k overspend in occupancy costs is due to additional services such as cleaning and recycling as well as accounting adjustments associated with the lease being a finance lease.
- 3.6 £25k overspend in depreciation costs are due to accounting adjustment between capital and depreciation costs.
- 3.7 £13k overspend in policy development is due to legal costs but this has been counteracted with lower costs for the academic conference.
- 3.8 £283k overspend in direct legal costs is due to an increased number of Section 29 appeals and higher legal costs.

4. Sectoral summary – Accredited Registers

Table 3

Income and expenditure	2023/24 Budget	2023/24 YTD	Actual /Budget variance	2024/25 Budget
	£'000	£'000	£'000	£'000
Registers income	671	674	3	691
Staff costs	429	469	(40)	407
Admin Costs				
Comms costs	43	30	13	43
Overheads	179	83	96	149
Other	13	6	7	10
Surplus/(deficit)	7	86	79	82

5. Staff costs

Table 4

Income and expenditure	2023/24 Budget	2023/24 YTD	Forecast /Budget variance	2024/25 Budget
	£'000	£'000	£'000	£'000
Salaries	2,807	2,956	(149)	3,115
Social security	337	333	4	366
Pension	580	505	75	541
Temp Agency	0	10	(10)	0
Total staff costs	3,724	3,804	(80)	4,022

6. Capital

Table 5

Capital Expenditure	2023/24 Budget	2023/24 Actual	Actual /Budget variance	2024/25 budget
	£'000	£'000	£'000	£'000
Capital commitments				
Intangible	0	0	0	0
IT Equipment	40	24	16	40
F&F	10	19	(9)	10
Total Capital costs	50	43	7	50

7. Statement of Financial Position

Table 6

	2023/24 Budget	2023/24 Actual	Forecast /Budget variance	2024/25 Budget
	£'000	£'000	£'000	£'000
Non current assets				
Intangible assets	144	92	(52)	92
Property, plant & equipment	53	68	15	68
Right of use asset – property lease	635	635	0	475
Total	832	795	(37)	635
Current assets				
Trade and other receivables	403	516	113	516
Cash and cash equivalents	8,321	7,907	(414)	7,657
Total assets	8,724	8,423	(301)	8,173
Liabilities				
Trade and other payables	(6,467)	(6,225)	242	(6,225)
Lease liability	(184)	(202)	(18)	(202)
Provisions	(13)	(23)	(10)	(23)
Total	(6,664)	(6,450)	214	(6,450)
Other liabilities				
Lease liability	(583)	(493)	90	(291)
Net assets	2,309	2,275	(34)	2,067
Reserves*				
Unrestricted	728	807	79	889
Restricted	1,581	1,468	(113)	1,178
Total reserves	2,309	2,275	(34)	2,067

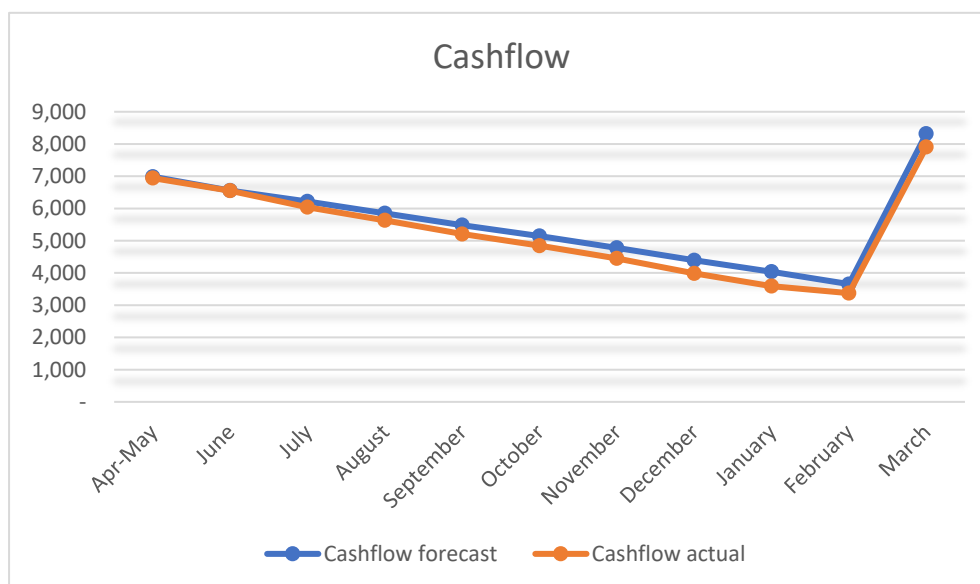
* Required reserves (according to the policy) for 2024/25 are £1.29m (0.86m restricted and 0.43m unrestricted)

8. Cashflow

(movement of money in and out of the organisation)

Table 7

Cash and investments as at 01/04/2023	£'000 £ 7,508	£'000 £7,508
Income	Projected (Full year)	Actual (Year to date)
Fees income	4,864	5,096
Accredited registers	610	530
Interest	5	50
Section 29	143	182
Other		11
Total Income	5,622	5,869
Outgoings		
Payroll	(3,295)	(3,653)
Administration costs	(1,514)	(1,817)
Total Outgoings	(4,809)	(5,570)
	31/3/2024	31/03/2024
Cash and investments	8,321	7,907



The required reserves for 2024/25 are £1.29m (£0.86m restricted and £0.43m unrestricted).