

May Board meeting
Wednesday, 18 May 2022



Financial position as at 31/03/2022 and forecast for 2022/23

1. 2021/22 Financial position and 2022/23 Forecast

Table 1

	2022/23 Annual Budget	2021/22 Annual Budget	2021/22 Actual	2021/22 Variance
	£'000	£'000	£'000	
Regulatory Activity	4,559	4,515	4,285	(230)*
Accredited Registers	Expenditure 560 Fee income (633) (73)	Expenditure 541 Fee income (541) 0	Expenditure 462 Fee income (519) (57)	(57)
Advice to other organisations	0	0	(0)	(0)
Resulting impact on Reserves	(73)	0		(287)

* Brackets represent favourable variance

- 1.1 In 2021/22 Regulatory Activity had an overall surplus of £230k which has had a positive impact on restricted reserves.
- 1.2 In 2021/22 Accredited Registers had an overall surplus of £57k which has had a positive impact on unrestricted reserves.
- 1.3 In 2021/22 there was no income from commissions or advice to other organisations.
- 1.4 The overall net impact at the end of 2021/22 is an increase to reserves of £287k

2. Regulatory Activity

- 2.1 Income and expenditure breakdown.
- 2.2 The following table sets out how the annual budget is derived. It involves offsetting the forecast expenditure against the forecast income (£111k set out in more detail below) and the agreed £216k surplus from 2020/21 to be used to reduce the regulators' fees.

Table 2

Income and expenditure	2022/23 Budget	2021/22 Budget	2021/22 Actual
	£'000	£'000	
Annual budget			
Expenditure			
Staff costs	3,112	3,046	3,131
Other administrative costs (includes depreciation and capital)	1,774	1,735	1,359
Financed by			
Fee Income	(4,559)	(4,515)	(4,515)
Operating income	(111)	(161)	(205)
Use of reserves	(216)	(105)	0
Total (surplus)/deficit	0	0	(230)

2.3 Administration costs breakdown

Table 3

	2022/23 Budget £'000	2021/22 Budget £'000	2021/22 Actual £'000
Members' remuneration	95	93	102
Legal and professional fees	582	519	386
Premises and fixed plant	602	591	598
Training and recruitment	130	125	59
Communications and conferences	132	132	10
Establishment expenses	75	73	31
External audit fee	29	23	25
Other costs	79	79	64
Depreciation/Capital costs	50	100	84
Total administrative costs	1,774	1,735	1,359

2.4 Operating income breakdown

Table 4

Operating income	2022/23 Budget £'000	2021/22 Budget £'000	2021/22 Actual £'000
Section 29 cost recoveries	99	87	142
Sub-tenancy income	0	62	63
Investment/other income	12	12	0
Total operating Income	111	161	205

3. Accredited Registers

Table 5

Income and expenditure	2022/23 Budget	2021/22 Budget	2021/22 Actual
	£'000	£'000	£'000
Fee Income	(633)*	(541)	(519)
Expenditure	560	541	462
Net surplus/(deficit)	73	(0)	57

*Includes £550k for registers that have been accredited and £83k from new registers that have paid the initial fee but not yet been accredited.

3.1 We issued invoices for £550k in February 2022. As at 31st of March £424k has been received with £126k due to be paid in three equal instalments in July, September, and December from five registers that pay quarterly.