

1. Executive Summary

1.1 The latest forecast position for year-end is an additional deficit of £166k. The overall expected deficit for 2024/25 is £456k, which is £166k more than the planned deficit of £290k (refund to the regulators). The figure of £456k consists of a £532k deficit in Regulatory Activity and £76k surplus in Accredited Registers.

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

- £262k increase in S29 legal costs. These costs have increased since the first half of 2023/24 due to the higher number of cases and increased legal costs. The additional legal costs are therefore not unexpected as the budget was set at £369k before the significant increase in costs over the last year. Section 29 activity in 2024/25 is similar to 2023/24 and therefore the budget is insufficient (to address this, the indicative budget for 2025/26 has been set at £657k; an additional £288k compared to 2024/25).
- Website development costs (project delayed from 23/24) including project manager position. It has previously been agreed that these costs are funded from reserves.
- Costs associated with implementation of new HR and Payroll System. This project was delayed from last year therefore most of the costs were incurred this year.
- These are counteracted by: greater investment income; anticipated underspends in staff costs; and significant savings in Board recruitment costs.

2. 2024/25 Income and Expenditure Corporate Summary

2.1 This report includes the latest end of year forecast.

Table 1

	2023/24 Actual <small>Previous year comparison</small>	2024/25 Budget	2024/25 End of year forecast	Forecast /Budget variance
	£'000	£'000	£'000	£'000
Fees Income	4,637	4,869	4,869	-
Operating Income	332	127	184	57
Accredited registers	674	691	697	6
Total Income	5,643	5,687	5,750	63
Staff costs	3,804	4,022	4,009	13
Administration costs	1,702	1,671	1,985	(314)
Accredited registers	184	202	212	(10)
Total expenditure	5,690	5,895	6,206	(311)
Surplus/ (deficit)	(47)	(208)	(456)	(248)

3. Sectoral summary - Regulatory Activity

3.1 Income and expenditure breakdown.

Table 2

Income and expenditure	2023/24 Actual Previous year comparison	2024/25 Budget	2024/25 End of year forecast	Forecast /Budget variance
	£'000	£'000	£'000	£'000
Income				
Fee Income from regulators	4,637	4,869	4,869	0
Operating Income				
S29 cost recoveries	276	119	119	0
Investment interest	50	8	65	57
Conferences income	6	0	0	0
Total Income	4,969	4,996	5,053	57
Staff costs	3,400	3,615	3,600	15
Recruitment costs	42	15	15	0
Training and Conferences	50	73	73	0
HR and payroll costs	61	14	66	(52)
Staff travel	10	10	10	0
Occupancy costs	278	324	324	0
Audit costs	63	68	68	0
IT costs	129	136	129	7
Board appointments	0	100	55	45
Board remuneration/expenses	129	145	138	7
Depreciation/Capital costs	75	50	50	0
Conferences	18	45	45	0
Commissioned Policy advice and research	63	75	75	0
Comms	5	45	45	0
Other policy costs	84	109	170	(61)
Direct S29 legal costs and case review	654	369	631	(262)
Other costs	149	93	91	2
Total admin costs	1,702	1,671	1,985	(314)
Surplus/(deficit)	(133)	(290)	(532)	(242)

- 3.2 £52k overspend in HR and payroll costs are due to the delayed (from 23/24) implementation of the new HR and payroll and payroll IT system and additional Legal HR costs.
- 3.3 £61k overspend in other policy costs are due to website development costs (project delayed from 2023/24) – already committed from Reserves.
- 3.4 £262k overspend in direct legal costs is due to increased number of Section 29 appeals and higher legal costs.

4. Sectoral summary – Accredited Registers

Table 3

Income and expenditure	2023/24 Actual Previous year comparison	2024/25 Budget	2024/25 Forecast	Forecast /Budget variance
	£'000	£'000	£'000	£'000
Registers income	674	691	697	6
Staff costs	404	407	409	(2)
Comms costs	30	43	43	0
Overheads	149	149	156	(7)
Other	5	10	13	(3)
Surplus/(deficit)	86	82	76	(6)

5. Staff costs

Table 4

Income and expenditure	2023/24 Prev year comparison	2024/25 Budget	2024/25 Forecast	Forecast /Budget variance
	£'000	£'000	£'000	£'000
Salaries	2,956	3,115	3,062	53
Social security	333	366	348	18
Pension	505	541	531	10
Temp Agency	10	0	68	(68)
Total staff costs	3,804	4,022	4,009	13

6. Capital

Table 5

Capital Expenditure	2023/24 Actual Prev year comparison	2024/25 Budget	2024/25 Forecast	Forecast /Budget variance
	£'000	£'000	£'000	£'000
Intangible assets	0	0	0	0
IT Equipment	24	40	40	0
F&F	19	10	10	0
Total Capital costs	43	50	50	0

7. Statement of Financial Position

Table 6

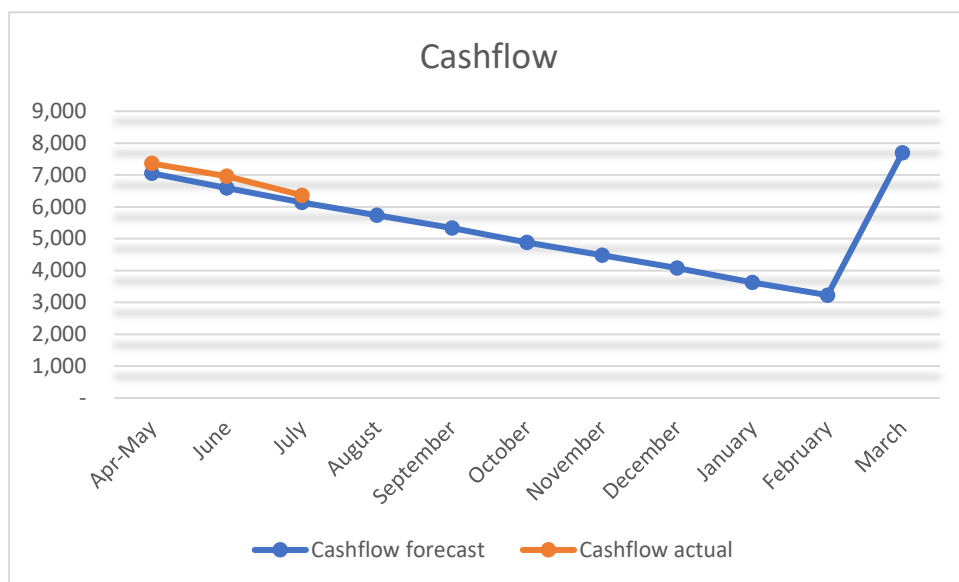
	2023/24 Actual Prev year comparison	2024/25 Budget	2024/25 Forecast	Forecast /Budget variance
	£'000	£'000	£'000	£'000
Intangible assets	92	92	92	0
Property, plant & equipment	68	68	68	0
Right of use asset – property lease	635	475	475	0
Total	795	635	635	0
Trade and other receivables	374	516	516	0
Cash and cash equivalents	7,907	7,657	7,489	(168)
Total assets	8,281	8,173	8,005	(168)
Trade and other payables	(5,981)	(6,225)	(6,225)	0
Lease liability	(183)	(202)	(202)	0
Provisions	(23)	(23)	(23)	0
Total	(6,187)	(6,450)	(6,450)	0
Lease liability	(534)	(291)	(291)	0
Net assets	2,355	2,067	1,899	(168)
Reserves				
Restricted	807	889	883	(6)
Unrestricted	1,548	1,178	1,016	(162)
Total reserves	2,355	2,067	1,899*	(168)

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

8. Cashflow

Table 7

Cash and investments as at 01/04/2024	£'000 £ 7,907	£'000 £7,907
<i>Income</i>	<i>Projected (Full year)</i>	<i>Actual (Year to date)</i>
Fees income	4,869	0
Accredited registers	691	265
Interest	8	14
Section 29	119	62
Other		0
Total Income	5,687	341
<i>Outgoings</i>		
Payroll	(4,022)	(1,383)
Administration costs	(1,873)	(503)
Total Outgoings	(5,895)	(1,886)
	31/3/2025	30/07/2024
Cash and investments	7,699	6,362



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

9. Financial Risks and Opportunities

Risks

- S29 direct legal costs could increase further due to higher number of appeals

Opportunities

- Savings have been made in some administrative cost areas.