Finance & Commercial Update

Agenda Item 7 Paper Ref 05

Paper for the
Social Work England Board

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Reviewed by
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This paper is for
Assurance and Noting

Associated Strategic Objective
SO9: We will establish robust infrastructure, systems and processes that promote trust and confidence.

Impact: Risk Type and Appetite
Finance - Cautious

1. Summary

This paper provides an update on the following:

- Management Accounts for the year ending 31 May 2021.
- the status of the implementation of our new corporate system (Enable)

2. Commentary

Management Accounts

A summary set of the Management Accounts for the year to 31 May 2021 can be found in Annex A.

Key highlights are:

- Year to date revenue expenditure, net of fee income, is £1,383k which is £21k lower than budget, a variance of 1.5%.
- A year to date overspend within Fitness to Practise of £166k is offset by underspends within other directorates. We are currently reviewing the reasons for the overspend within Fitness to Practise and will implement mitigating measures if necessary.
- Year to date capital expenditure is £209k, which is £108k less than budget due to timing differences concerning the purchase of IT equipment and development costs associated with the “forge” case management system.
- Total assets net of liabilities is £5.6m with cash, prepayments, and fixed assets of £12.2m offset by liabilities of £6.6m.
- A full year forecast for fee income and expenditure will be included in the June Management Accounts.

Implementation of Enable

- We continue to successfully “bed in” our new finance and HR system, Enable, having successfully completed our 2nd month end for the period ending 31 May 2021. In addition, the use of the new procurement system has been well received by budget holders and managers alike.
- Following two successful parallel runs with our existing payroll provider we will begin using Enable to generate our payroll commencing with the June payroll.

3. Annexes

ANNEX A MANAGEMENT ACCOUNTS FOR THE YEAR ENDING 31 MAY 2021

INCOME AND EXPENDITURE STATEMENT

Directorates	YTD Actual	YTD Budget	Variance	% Variance	Full Year Original Budget
Fee Income	1,559,275	1,504,538	54,737	(3.6%)	9,027,226
Executive Leadership Team					
Wages & Salaries	107,715	103,996	(3,719)	(0)	623,975
Support	210	0	(210)	-	2, 791
Total	**107,925**	**103,996**	**(3,929)**	**(3.8%)**	**626,765**
People & Business Support					
Wages & Salaries	323,066	411,844	88,778	21.6%	2,364,653
Seconded & Agency Staff	(7,020)	0	7,020	-	0
Support	436,930	449,943	13,012	2.9%	2,701,119
Total	**752,976**	**861,787**	**108,810**	**12.6%**	**5,065,772**
Fitness to Practise					
Wages & Salaries	534,837	577,258	42,421	7.3%	3,531,184
Support	903,307	694,763	(208,544)	(30.0%)	4,168,577
Total	**1,438,144**	**1,272,021**	**(166,123)**	**(13.1%)**	**7,699,761**
Registration, EQA and Legal					
Wages & Salaries	232,269	239,795	7,526	3.1%	1,641,723
Seconded & Agency Staff	10,969	0	(10,969)	-	0
Support	23,893	70,802	46,909	66.3%	618,356
Total	**267,131**	**310,597**	**43,466**	**14.0%**	**2,260,080**
Strategy, Policy & Engagement					
Wages & Salaries	200,931	212,268	11,337	5.3%	1,316,895
Seconded & Agency Staff	17,667	17,667	0	0.0%	106,000
Support	38,241	10,777	(27,464)	(254.8%)	246,047
Total	**256,839**	**240,712**	**(16,127)**	**(6.7%)**	**1,668,942**
Total Expenditure	**2,823,015**	**2,789,112**	**(33,903)**	**(1.2%)**	**17,321,320**
Net Expenditure exc Depreciation	**1,263,740**	**1,284,574**	**20,834**	**1.6%**	**8,294,094**
Depreciation	**119,346**	**119,346**	**(0)**	**(0.0%)**	**716,078**
Net Expenditure inc Depreciation	**1,383,086**	**1,403,921**	**20,834**	**1.5%**	**9,010,172**
Capital Expenditure	**209,095**	**316,667**	**107,572**	**-**	1,900,000
Grand Total	**1,592,181**	**1,720,587**	**128,406**	**-**	**10,910,172**

BALANCE SHEET AS AT 31 MAY 2021

	£ Cost	£ Depreciation	£ Balance
Fixed Assets			
Buildings	1,264,299	(563,601)	700,698
IT Equipment	780,469	(483,428)	297,041
Fixtures & Fittings	318,851	(261,271)	57,580
Forge System (WIP)	4,621,426	-	4,621,426
	6,985,044	(1,308,300)	**5,676,744**
Current Assets			
Prepayments			485,614
Staff Advances			198
Bank			6,009,401
			6,495,213
Current Liabilities			
Accruals			(6,027,746)
Trade Payables			13,839
Payroll Control			(303,023)
			(6,316,930)
Non-Current Liabilities			
Other Payables			(283,240)
TOTAL ASSETS and LIABILITIES			**5,571,788**
TAXPAYERS EQUITY			**(5,571,788)**