

Paper for the

Social Work England Board

Sponsor

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Author

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Date

10 September 2021

Reviewed by

Executive Leadership Team

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 which cover the period 01 April 2021 to 31 July 2021
- Our commercial strategy

2. Action required.

N/A

3. Commentary

Management Accounts

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

Key highlights:

- Year to date expenditure, net of fee income, is £2,667k which is £204k lower than budget. We are currently reviewing the existing full year forecast and expect that the full year outcome will be close to budget.
- Whilst the overall picture is one of a net underspend much of this is due to one off events and budget timings.
- There is a variation of performance between directorates with a FTP directorate overspend of £318k offset by underspends of £305k and £118k in the People & Business Support and Registration, Quality Assurance & Legal directorates. Whilst we expect much of the underspend within the People & Business Support directorate to remain constant throughout the rest of the year the underspend within the Registration, Quality Assurance & Legal directorate is largely due to timing, and we expect expenditure to return to budget in the second half of the year.
- The year-to-date overspend within the FTP directorate is due to higher-than-expected partner fees, translation, and transcribing expenditure. We expect that the rate of monthly expenditure will decrease during the rest of the financial year following the identification of a number of operational efficiencies.
- Full year capital expenditure was £513k, which is £120k less than budget due to timing. We have delayed the refresh of our IT equipment until the second half of the year, and we expect expenditure on the development of the 'Forge' case management system to ramp up now that we have completed the onboarding of our new supplier.
- Total assets net of liabilities is £5.9m with cash, prepayments, and fixed assets of £11.7m offset by liabilities of £5.8m. The largest liability was prepaid fee income and accrued cost of £4.8m

Commercial strategy

Our commercial strategy has been prepared and is to be reviewed in September by ELT. Following approval by ELT the strategy will be subsequently shared with ARAC for discussion

and noting. The strategy will set out our approach to procuring services in support of our operational objectives, as described in our business plan.

4. Conclusions and/or Recommendations

n/a

5. Annexes

ANNEX A MANAGEMENT ACCOUNTS FOR THE YEAR ENDING 31 JULY 2021

INCOME AND EXPENDITURE STATEMENT

Directorates	Period Actual	Period Budget	Variance	YTD Actual	YTD Budget	Variance	% Variance	Full Year Original Budget
Fee Income	(773,355)	(752,269)	21,086	(3,098,391)	(3,009,076)	89,315	(3.0%)	(9,027,226)
Executive Leadership Team								
Wages & Salaries	50,963	51,998	1,035	196,186	207,992	11,805	0	623,975
Support	44	0	(44)	254	0	(254)		2,791
Total	51,007	51,998	991	196,440	207,992	11,552	5.6%	626,765
People & Business Support								
Wages & Salaries	190,615	202,430	11,816	699,539	820,196	120,657	14.7%	2,364,653
Seconded & Agency Staff	0	0	0	(14,160)	0	14,160		0
Support	178,028	250,229	72,202	751,885	922,853	170,969	18.5%	2,701,119
Total	368,642	452,660	84,017	1,437,264	1,743,049	305,785	17.5%	5,065,772
Fitness to Practise								
Wages & Salaries	295,852	302,575	6,722	1,097,990	1,168,462	70,473	6.0%	3,531,184
Support	418,403	347,381	(71,022)	1,777,611	1,389,526	(388,085)	(27.9%)	4,168,577
Total	714,256	649,956	(64,299)	2,875,600	2,557,988	(317,613)	(12.4%)	7,699,761
Registration, EQA and Legal								
Wages & Salaries	115,896	137,851	21,955	462,784	497,543	34,759	7.0%	1,641,723
Seconded & Agency Staff	255	0	(255)	13,964	0	(13,964)		0
Support	11,860	42,345	30,486	36,889	149,048	112,159	75.3%	618,356
PSA Legal fees	3,979	0	(3,979)	14,287	0	(14,287)		0
Total	131,990	180,196	48,207	527,924	646,591	118,668	82.2%	2,260,080

Directorates	Period Actual	Period Budget	Variance	YTD Actual	YTD Budget	Variance	% Variance	Full Year Original Budget
Strategy, Policy & Engagement								
Wages & Salaries	100,260	110,944	10,683	415,541	429,346	13,804	3.2%	1,316,895
Seconded & Agency Staff	8,833	8,833	0	35,333	35,333	0	0.0%	106,000
Support	(1,233)	5,389	6,622	38,704	21,554	(17,149)	(79.6%)	246,047
Total	107,861	125,166	17,305	489,578	486,234	(3,345)	(0.7%)	1,668,942
Total Expenditure	1,373,755	1,459,975	86,221	5,526,806	5,641,854	115,047	2.0%	17,321,320
Net Expenditure	600,400	707,706	107,307	2,428,415	2,632,778	204,362	7.8%	8,294,094
Depreciation	59,673	59,673	0	238,693	238,693	(0)	(0.0%)	716,078
Net Expenditure inc Depreciation	660,073	767,380	107,307	2,667,108	2,871,470	204,362	7.1%	9,010,172
Capital Expenditure	140,000	158,333	18,333	513,112	633,333	120,222	19.0%	1,900,000
Grand Total	800,073	925,713	125,640	3,180,220	3,504,804	324,584	9.3%	10,910,172

BALANCE SHEET AS AT 31 JULY 2021

	£ Cost	£ Depreciation	£ N.B.V
Fixed Assets			
Buildings	1,264,299	(606,035)	658,264
IT Equipment	780,469	(540,074)	240,395
Fixtures & Fittings	318,851	(281,538)	37,313
Forge System (WIP)	4,925,442		4,925,442
	<u>7,289,061</u>	<u>(1,427,646)</u>	<u>5,861,415</u>
Current Assets			
Prepayments			388,947
Bank			5,474,839
			<u>5,863,786</u>
Current Liabilities			
Accruals			(4,726,825)
Trade & Payroll Payable			(766,031)
			<u>(5,492,906)</u>
Working Capital (Current Assets less Current Liabilities)			<u>370,880</u>
Non-Current Liabilities			
Other Payables			(265,529)
			<u>(265,529)</u>
TOTAL ASSETS and LIABILITIES			<u>5,966,766</u>
<u>Taxpayers Equity</u>			
General fund			(5,966,766)
TOTAL TAXPAYERS' EQUITY			<u>(5,966,766)</u>