

Paper for the

Social Work England Board

Sponsor

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Author

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Date

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Reviewed by

Colum Conway, Chief Executive

This paper is for

Discussion and Advising

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 management accounts for the period ending 31 December 2022 and the procurement of digital services.

2. Action required

N/A

3. Commentary

Management accounts

A summary set of the Management Accounts for the year to 31 December 2022 can be found in Annex A.

Key highlights are:

Year-to-date expenditure, net of fee income, is £8,805k compared to the budgeted amount of £10,075k. This represents a year-to-date underspend compared to budget of £1,269k with the main drivers for this underspend being:

- fee income is £331k higher than budget primarily due an increased level of overseas applicants to join the register.
- expenditure is underspent by £937k which is due to the timing of hearing activity relating to the legacy cases project, resulting in a delay of expenditure into the new financial year.

For the reasons above we anticipate that the level of underspend will increase to £1,533k by the end of the financial year. We have asked the DfE to include the underspend relating to legacy cases, expected to be £1.2m, in the budget for the 2023/24 financial year.

Year-to-date capital expenditure is £1,791k, which is £302k lower than budget. We are procuring IT equipment in the final quarter and expect capital expenditure to end the year close to budget.

Amortisation of intangible assets

We are nearing conclusion of phase 1 of the development of our Forge system and, subject to internal approval, plan to commence amortising the related development cost during Q4. The estimated amortisation value for this financial year is £290k and this has been included in our full year forecast.

Commercial update

We have recently awarded the contract for internal audit services to a new provider, RSM UK, and they will be attending the ARAC meeting in February.

In 2022 the board approved our plan for the procurement of digital development services. Following approval from the Cabinet Office the tender was launched in December and we expect to award the contract to the successful bidder by the end of March 2023.

4. Conclusions and/or Recommendations

N/A

5. Annexes

Annex A – Management accounts as at 31 December 2022

Income and Expenditure Statement

	YTD Actual	YTD Budget	Variance	% Variance	Full Year Original Budget	Full Year Forecast	Variance
Fee Income	(7,531,463)	(7,200,000)	331,463	(4.6%)	(9,600,000)	(10,011,463)	411,463
Executive Leadership Team							
Wages & Salaries	502,156	497,955	(4,201)		663,940	668,142	(4,201)
Support	31,066	7,500	(23,566)		10,000	33,566	(23,566)
Total	533,223	505,455	(27,767)	(5.5%)	673,940	701,708	(27,767)
People & Business Support							
Wages & Salaries	1,861,722	1,823,314	(38,408)		2,456,279	2,404,634	51,645
Support	1,807,879	1,889,212	81,333		2,518,950	2,604,142	(85,192)
Total	3,669,601	3,712,527	42,926	1.2%	4,975,229	5,008,776	(33,547)
Regulation							
Wages & Salaries	4,101,197	4,015,998	(85,199)		5,354,664	5,445,047	(90,384)
Support	6,354,854	7,291,025	936,171		10,358,876	8,983,135	1,375,741
Total	10,456,052	11,307,023	850,972	7.5%	15,713,540	14,428,183	1,285,357
Professional practice and external engagement							
Wages & Salaries	1,375,919	1,308,793	(67,127)		1,749,051	1,843,866	(94,815)
Support	302,666	441,442	138,776		689,333	696,658	(7,325)
Total	1,678,586	1,750,235	71,649	4.1%	2,438,384	2,540,524	(102,140)
Total Expenditure	16,337,461	17,275,240	937,779	5.4%	23,801,093	22,679,190	1,121,903
Expenditure, net of fee income	8,805,998	10,075,240	1,269,242	12.6%	14,201,093	12,667,728	1,533,366

Depreciation/Amortisation
Net Expenditure inc Depreciation
Capital Expenditure
Total

YTD Actual	YTD Budget	Variance	% Variance
407,281	1,054,018	646,737	
9,213,280	11,129,258	1,915,979	
1,791,027	2,094,000	302,973	
11,004,307	13,223,258	2,218,951	16.8%

Full Year Original Budget	Full Year Forecast	Variance
1,405,357	852,530	552,827
15,606,451	13,520,258	2,086,193
2,792,000	2,769,500	22,500
18,398,451	16,289,758	2,108,693

Annex B - Balance Sheet

	Cost £	Depreciation £	N.B.V £
Buildings	1,589,174	(980,605)	608,569
IT Equipment	1,105,984	(859,299)	246,685
Fixtures & Fittings	318,851	(318,851)	0
Forge System (WIP)	7,796,325		7,796,325
	10,810,333	(2,158,755)	8,651,579
Current Assets			
Prepayments			581,089
Bank			9,226,453
			9,807,542
Current Liabilities			
Accruals			(1,866,720)
Deferred Income			(5,352,458)
Trade Payables			(303,572)
Payroll Control			(312,558)
			(7,835,308)
Working Capital			1,972,234
Non-Current Liabilities			
Lease liabilities			(268,742)
Lease interest			(8,063)
			(276,805)
Total Assets and Liabilities			10,347,008
Taxpayers' Equity			(10,347,008)