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## Finance Report – December 2018

Agenda item: 6  
Date: 12 February 2019

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This accounts commentary highlights significant variances from budget in the actual financial results to the end of Quarter 3 and the forecast outturn for the 2018/19 year.

### Revenue Income & Expenditure Report

#### 1. Revenue Expenditure

##### Staff Costs

There is now an overspend forecast on staff costs due to the agreed pay award which was in excess of the budget assumptions and backdated from 1<sup>st</sup> April 2018.

##### Supplies and services:

Supplies and services are forecast to overspend for the year, due to the planned draw down on earmarked reserves of 25k for training, IT & facility costs. These are one-off costs and not recurring in future financial years.

##### Accommodation:

There is a small forecast underspend on accommodation costs due to some of the costs of the office move being less than anticipated. The forecast also assumes the 6 month rent deposit will be treated as a debtor at year-end and that the 6 month rent free period will be apportioned over the life of the lease in line with discussions with the Auditors.

##### Recovered costs

The forecast for costs recovered from the Rail Delivery Group are now less than anticipated due to the Rail Delivery Group becoming fully operational at the end of November 2018, we continued to help bed the scheme until agreement sign off. These recovered costs will cease from the end of January 2019.

##### Depreciation

The depreciation reflects the changes in fixed asset costs due to the accommodation move. This is still in forecast mode awaiting treatment and confirmation from our Auditors.

## **2. Funding from/to reserves and reserves at the year-end**

There is a forecast decrease in the reserves of £37,000 due to the projected overspend, however as £25,000 of the reserves had been earmarked for Training, IT & Facility costs this is in effect an overspend of £12,000.

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**Sharon Grant**

**Finance Advisor**