

## People and Resources Committee

<b>Meeting Date</b>	12 June 2025
<b>Title</b>	Finance Report – April 2025
<b>Author(s)</b>	James Afolabi, Financial Planning & Analysis Manager. Ife Ojo, Commercial Business Partnering Manager. Alan Keshtmand, Head of Finance & Commercial.
<b>Executive Sponsor</b>	Alastair Bridges, Executive Director of Resources

### Executive Summary

This high-level finance report covers April 2025, which marks the first period of the 2025-26 financial year. It primarily reflects a projected financial position, combining actuals and estimates against budgeted spend. This approach is due to the prioritisation of year-end closing activities and the implementation of Business Central enhancements (e.g. invoice automation, deferred income module, financial planning software, etc.).

### Financial Performance

The April 2025 position is a deficit of (£158k), which is (£168k) adverse compared to the modest surplus budget for April of £10k.

	April 2025 Year to Date (YTD)		
	Actuals	Budget	Variance
	£'000	£'000	£'000
Total Income	3,356	3,610	(254)
Total Expenditure	3,514	3,600	86
<b>Surplus/(Deficit)</b>	<b>(158)</b>	<b>10</b>	<b>(168)</b>

### Key Variances

- **Income:** adverse variance of £254k is mainly due to decrease in international scrutiny fees (actual volume of 316 vs 734 budgeted applications).
- **Expenditure:** favourable variance of £86k, mainly due to lower payroll costs associated with unfilled vacant posts.

We plan to present the May 2025 year-to-date (YTD) finance report, based on actuals, following the completion of the full month-end close process.

<b>Action required</b>	The Committee is asked to review the information provided and seek clarification on any areas.
<b>Previous consideration</b>	Previous finance report (January 2025 YTD) provided to PRC in March 2025
<b>Next steps</b>	Update to the Council on 17 July 2025.
<b>Financial and resource implications</b>	The implications are set out in the report.
<b>Associated strategic priority/priorities</b>	Build a resilient, healthy, capable and sustainable organisation
<b>Associated strategic risk(s)</b>	5.a The resources we require to achieve our strategy are not in place or are not sustainable
<b>Risk appetite</b>	Financial - measured
<b>Communication and engagement</b>	Not applicable
<b>Equality, diversity and inclusion (EDI) impact and Welsh language standards</b>	No direct implications.
<b>Other impact assessments</b>	Not applicable
<b>Reason for consideration in the private session of the meeting (if applicable)</b>	Not applicable

# April 2025 Finance Report

## PEOPLE AND RESOURCES COMMITTEE

# Executive Summary

## High-Level Figures

	April 2025		
	Actuals	Budget	Variance
	£'000	£'000	£'000
Total Income	3,356	3,610	(254)
Total Expenditure	3,514	3,600	86
<b>Surplus/(Deficit)</b>	<b>(158)</b>	<b>10</b>	<b>(168)</b>

Due to prioritisation of ongoing year-end activities, this is a high-level finance report for April 2025, the first period of the 2025-26 financial year. The report is based on projected figures, comprising of mostly actuals and some estimates, compared to budget.

- **April 2025:** actual deficit of £158k, which is £168k adverse compared to April budget surplus of £10k.
- **Income:** decrease in actual income of £254k compared to budget of £3.6m is mainly attributable to the downward trend in international application volumes. International application volumes for April 2025 totalled 316 compared to the budget which assumed 734 applications. This trend has been ongoing for the past three months, we will reassess and reforecast if need be.
- **Expenditure:** decrease in actual expenditure of £86k compared to budget is mainly due to underspend in payroll and decrease in partners' costs. This is offset by an increase in Legal costs due to a higher number of completed cases than budgeted.
- **Approved income fee rise:** budget does not include the approved fee increase that took effect from 29 April 2025, which provides additional income of around £960k.

# Income and Expenditure (by Category) – April 2025

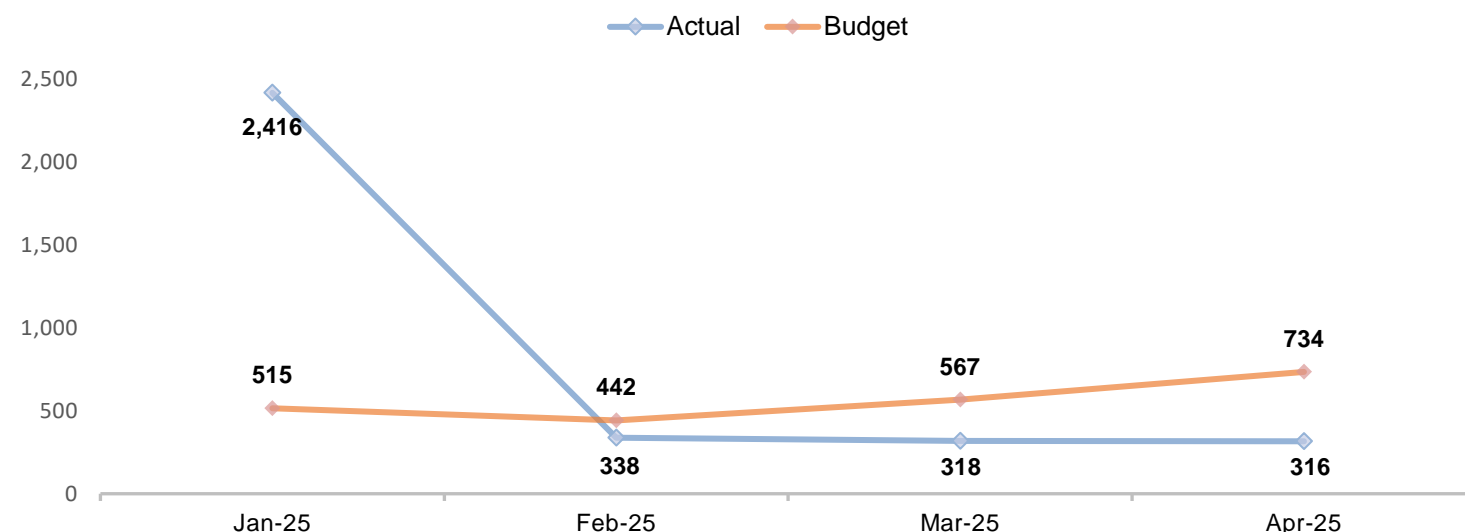
	Actuals	Budget	Variance
	£'000	£'000	£'000
Registration Fees	3,008	3,008	0
International Scrutiny Fees	199	466	(267)
Other Income	149	136	13
<b>Total Income</b>	<b>3,356</b>	<b>3,610</b>	<b>(254)</b>
Payroll	1,564	1,621	57
Legal Costs	962	888	(74)
Partners	422	447	25
IT Costs	186	212	26
Depreciation	94	94	0
Professional Fees	64	57	(7)
Temporary Staff	53	47	(6)
Office Services	47	49	2
Staff Related Costs	34	50	16
Property Costs	30	40	10
Corporation Tax	21	21	0
Communication Costs	16	7	(9)
Utilities	11	26	15
Travel & Subsistence	6	6	0
Other Costs	4	35	31
<b>Total Expenditure</b>	<b>3,514</b>	<b>3,600</b>	<b>86</b>
<b>Total Surplus/(Deficit)</b>	<b>(158)</b>	<b>10</b>	<b>(168)</b>

## Key drivers of variance:

- **International Scrutiny Fees: £267k** adverse variance due to a decrease in international applications (316 actuals vs 734 budget).
- **Payroll: £57k** favourable variance due to unfilled vacant posts mainly within Registration and Policy departments.
- **Legal Costs: £74k** adverse variance due to an increase in completed cases (23 actual cases vs 8 budgeted cases).
- **IT Costs: £26k** favourable as a result of timing of costs.
- **Partners: £25k** favourable variance mainly driven by decrease in international assessors' fees, in line with the decrease in international applications.

# International Applications as at 30 April 2025

## International Applications (Volume)



- As per the graph, actual international applications for April 2025 was 316 compared to the budget of 734.
- Over the past three months, the number of international applications have been averaging around 324 each month, which, if we use as a run-rate, means a projected full year total of just under 4,000 applications. This would be significantly lower than our budget assumption of 7,500 applications by around 3,500.
- We are currently seeing a similar trend in the month of May 2025, with international application volumes expected to fall below budget.

## Year-End Projection vs Budget

	Full Year Projection	Full Year Budget	Variance
	£'000	£'000	£'000
Total Income	44,186	45,516	(1,330)
Total Expenditure	44,729	45,336	607
<b>Surplus/(Deficit)</b>	<b>(543)</b>	<b>180</b>	<b>(723)</b>

- Based on the average number of international applications over the past three months, and assuming all other costs remain aligned with the current budget, we have calculated a potential deficit of approximately £0.5m. Ongoing monthly rolling forecasts will offer more precise projections and will be incorporated into future reporting.
- Projection also includes potential additional income from the registration fee increase approved in April.

**Note:** The above full year projection is based on an extrapolation of current run rates and is not intended as a forecast.