

Corporate Issues Overview and Scrutiny Committee

10 October 2016



Assistant Chief Executives – Revenue and Capital Outturn 2015/16

Joint Report of Corporate Director Resources and Assistant Chief Executive

Purpose of the Report

1. To provide details of the outturn budget position for the Assistant Chief Executive's (ACE) service grouping highlighting major variances in comparison with the budget.

Background

2. County Council approved the Revenue and Capital budgets for 2015/16 at its meeting on 25 February 2015. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following major accounts maintained by the ACE service grouping:
 - ACE Revenue Budget - £9.730 million (original £10.163 million)
 - ACE Capital Programme – £3.991 million (original £3.776 million)
3. The original ACE General Fund budget has been revised to incorporate a number of budget adjustments as follows:
 - Energy Reduction -£1,000
 - Car Mileage outside cash limit +£4,000
 - To Transformation Challenge Reserve -£1,205,000
 - Use of AAP Reserve +£514,000
 - Use of Modern Ways of Working Reserve +£46,000
 - Use of Customer Focus Reserve +£2,000
 - Use of Disabled Go Reserve +£8,000
 - To Flood Coordinator Reserve -£88,000
 - Use of Community Reserve +£15,000
 - Budget Transfer Performance +29,000
 - Outside the Cash Limit – NECA Poll +£230,000
 - Outside the Cash Limit – VAT +£13,000
4. The revised General Fund Budget now stands at £9.730 million.

5. The summary financial statements contained in the report cover the financial year 2015/16 and show:-
- The approved annual budget;
 - The actual income and expenditure as recorded in the Council's financial management system;
 - The variance between the annual budget and the outturn;
 - For the ACE revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

Revenue - General Fund Services

6. The Assistant Chief Executive Service is reporting a cash limit spend of **£0.258m** under budget against a revised annual budget of **£9.730 million**. The forecast outturn position at Quarter 3 was for a cash limit spend of £0.222 million under budget, a variance of £36,000 against the previous forecast.
7. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

Subjective Analysis

£'000	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Employees	6,638	6,721	83	(132)	(49)
Premises	247	416	169	(159)	10
Transport	48	51	3	0	3
Supplies and Services	1,886	1,504	(382)	369	(13)
Agency and Contracted	0	0	0	0	0
Transfer Payments	2,345	2,441	96	(67)	29
Central Costs	2,239	3,737	1,498	(1,496)	2
GROSS EXPENDITURE	13,403	14,870	1,467	(1,485)	(18)
INCOME	(3,673)	(4,669)	(996)	756	(240)
NET EXPENDITURE	9,730	10,201	471	(729)	(258)

Analysis by Head of Service

£'000	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Partnership and Community Engagement	7,367	8,475	1,108	(1,216)	(108)
Planning and Performance	1,534	1,500	(34)	(3)	(37)
Policy and Communications	1,407	(929)	(2,336)	2,223	(113)
Central	(578)	1,155	1,733	(1,733)	0
NET EXPENDITURE	9,730	10,201	471	(729)	(258)

8. Attached in the table below is a brief commentary of the variances with the revised budget analysed into Head of Service groupings. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. central repairs and maintenance) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	(Under) / overbudget £'000s
Partnership and Community Engagement (PACE)	Area Action Partnerships, Community Buildings, PACE	£10,000 managed under budget on employees. £10,000 managed over budget on premises. £7,000 managed over budget on staff travel. £70,000 managed under budget on a range of supplies and services. £45,000 managed under budget on donations and community grants	(108)
Planning and Performance	Planning, Performance, Overview and Scrutiny, County Records	£20,000 managed under budget on employees. £14,000 managed under budget on supplies and services. £3,000 over recovery of income.	(37)
Policy and Communications	Policy, Communications Public relations, CCU and Programme Office	£76,000 managed under budget on employees. £37,000 under budget on a range of supplies and services.	(113)
Central	Central Costs	No material variances.	0
TOTAL			(258)

9. The net underspend of £0.258 million will be carried forward under the “cash limit” regime and will be available to support the ACE service grouping priorities over the medium term. It should also be noted that the outturn position incorporates the MTFP savings required in 2015/16 which amount to £0.278 million.

Members Neighbourhoods Revenue Budget

10. During 2015/16 each elected member received an annual allocation of £20,000; £6,000 revenue and £14,000 capital. The revenue budget allocation for 2015/16 was £0.756 million. Previous years unspent allocations totalling £1.159 million are held in an earmarked reserve. During 2015/16 £0.549 million was spent and £0.079 million transferred to capital resulting in a balance of £0.128 million being transferred to the reserve leaving a closing balance of £1.287million.
11. The Members Initiative Fund element of this budget equates to £252,000 based on £2,000 per elected member. The 2015/16 outturn expenditure amounted to £235,000 with the unspent balance of £17,000 being transferred to the Members Initiative Fund reserve resulting in a closing balance on the reserve of £106,000.

AAP Area Budgets

12. Each of the 14 Area Action Partnerships (AAP) has an annual allocation of £120,000; £96,000 revenue and £24,000 capital. The revenue budget allocation for the current year is £1.344 million. Combined with revenue budgets carried forward from previous years of £2.417 million and £0.349 million of contributions from Welfare Assistance and Wellbeing and Commissioning the total revenue budget available is £4.111 million to develop agreed AAP priorities. Actual spend of £2.022 million was incurred during 2015/16 and £0.091 million was transferred to capital leaving a balance on the reserve of £1.198 million.

Capital Programme

13. The ACE capital programme comprises four main schemes, Assets in the Community, Area Action Partnerships Capital, Members Neighbourhoods Capital and Community Facilities in Crook.
14. The Assistant Chief Executive capital programme was revised at Outturn for budget rephased from 2014/15. This increased the 2015/16 budget to £3.776 million. Further reports to the MOWG in 2015/16 detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised budget at the end of the year was **£3.991 million**.
15. Summary financial performance to the end of March 2016 is shown below.

Service	Original Annual Budget 2015/16 £000	Revised Annual Budget 2015/16 £000	Actual Spend to 31 March 2016 £000	Spend % £000
Assets in the Community	1,163	777	384	49
Area Action Partnership	336	409	260	64
Members Neighbourhoods	1,764	2,805	807	29
Community Facilities Crook	513	0	4	N/A
Total	3,776	3,991	1,455	36

16. £1.445 million of capital expenditure has been incurred during 2015/16. This is 36% of the revised capital budget. The remainder of the capital budget will be reprofiled to 2016/17.

Recommendations:

17. The Corporate Issues and Scrutiny Committee is requested to note the contents of this report.

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Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn position.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None.

