

Corporate Issues Overview and Scrutiny Committee

10 October 2016



Assistant Chief Executives – Quarter 1 June 2016: Forecast of Revenue and Capital Outturn 2016/17

Joint Report of Corporate Director Resources and Assistant Chief Executive

Purpose of the Report

1. To provide details of the forecast outturn budget position for the Assistant Chief Executive's (ACE) service grouping highlighting major variances in comparison with the budget based on the position to the end of June 2016.

Background

2. County Council approved the Revenue and Capital budgets for 2016/17 at its meeting on 24 February 2016. 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 - £9.597 million (original £9.447 million)*
 - *ACE Capital Programme – £5.636 million (original £3.758 million)*
3. The original ACE General Fund budget has been revised to incorporate a number of budget adjustments as follows:
 - Budget increase for the pay award +£60,000
 - Budget transfer from HR – inspire people +95,000
 - Transport adjustment -£5,000

The revised General Fund Budget now stands at £9.597 million.

4. The summary financial statements contained in the report cover the financial year 2016/17 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 forecast 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

5. The service is reporting a cash limit underspend of **£10,000** against a revised budget of **£9.597 million**.
6. 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	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Employees	6,908	2,042	6,937	29	(28)	1
Premises	268	30	271	3	(5)	(2)
Transport	50	8	50	0	0	0
Supplies and Services	1,628	308	1,784	156	(76)	80
Agency and Contracted	78	0	78	0	0	0
Transfer Payments	1,196	683	2,112	916	(916)	0
Central Costs	2,485	75	2,485	0	0	0
GROSS EXPENDITURE	12,613	3,146	13,717	1,104	(1,025)	79
INCOME	(3,016)	(373)	(3,105)	(89)	0	(89)
NET EXPENDITURE	9,597	2,773	10,612	1,015	(1,025)	(10)

Analysis by Head of Service

£'000	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Partnership and Community Engagement	6,862	1,752	7,807	945	(937)	8
Planning and Performance	1,495	408	1,555	60	(8)	52
Policy and Communications	2,429	613	2,439	10	(80)	(70)
Central	(1,189)	0	(1,189)	0	0	0
NET EXPENDITURE	9,597	2,773	10,612	1,015	(1,025)	(10)

7. 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	£8,000 managed over budget on employees.	8
Planning and Performance	Planning, Performance, Overview and Scrutiny, County Records	£51,000 managed over budget the majority of which is employee related.	52
Policy and Communications	Policy, Communications Public relations, CCU and Programme Office	£65,000 managed under budget on employees. £5,000 managed under budget across a range of other areas.	(70)
Central	Central Costs	No material variances.	0
TOTAL			(10)

8. In summary, the service grouping is on track to maintain spending within its cash limit. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2016/17 which amount to £0.832 million.

Members Neighbourhoods Revenue Budget

9. Each elected member receives an annual allocation of £20,000; £6,000 revenue and £14,000 capital. The revenue budget allocation for the current year is £0.756 million. Previous years unspent allocations totalling £1.287 million are held in an earmarked reserve. At present £0.712 million of the total budget allocation of £2.043 million has been either spent or committed.
10. The members Initiative Fund Element of this budget equates to £0.252 million based on £2,000 per elected member. At this stage of the year it is expected that this will be fully expended.

AAP Area Budgets

11. Each of the 14 Area Action Partnerships (AAP) has an annual allocation of £100,000; £76,000 revenue and £24,000 capital. The revenue budget allocation for the current year is £1.064 million develop projects to meet the agreed AAP priorities. Previous years unspent allocations totalling £1.997 million are held in an earmarked reserve. At this stage in the year a total of £1.745 million has either been committed.

Capital Programme

12. The ACE capital programme comprises four main schemes, Assets in the Community, Area Action Partnerships Capital, Members Neighbourhoods Capital and Community Facilities in Crook.
13. The Assistant Chief Executive capital programme was revised at Outturn for budget rephased from 2015/16. This increased the 2016/17 budget to £5.622m. Further reports to the MOWG in 2016/17 detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised budget now stands at **£5.636m**.
14. Summary financial performance to the end of September is shown below.

Service	Original Annual Budget 2016/17 £000	Revised Annual Budget 2016/17 £000	Actual Spend to 30 June £000	Remaining Budget £000
Assets in the Community	1,151	1,151	39	1,112
Area Action Partnership	434	505	126	379
Members Neighbourhoods	3,530	3,473	180	3,293
Community Facilities Crook	507	507	0	507
Total	5,622	5,636	345	5,291

15. Officers continue to carefully monitor capital expenditure on a monthly basis. £345,000 of actual expenditure has been incurred to date. This is 6% of the total estimated spend in the year.
16. At year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

Recommendations:

17. The Corporate Issues Overview 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 projected 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.

