

**Corporate Overview and Scrutiny  
Management Board**

**03 April 2023**



**Resources – Quarter 3 December 2022:  
Forecast of Revenue and Capital  
Outturn 2022/23**

**Ordinary Decision**

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**Report of Paul Darby, Corporate Director of Resources**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide details of the updated forecast revenue and capital outturn budget position for the Resources service grouping, highlighting major variances in comparison with the budget based on the position to the end of December 2022.

**Executive summary**

- 2 The quarter 3 forecast position shows that the service is forecasting a cash limit underspend of £0.094 million against a revised budget of £25.943 million.
- 3 The Resources Cash Limit balance carried forward at 31 March 2023 is forecast to be circa £0.544 million. Other earmarked reserves under the direct control of RMT are forecast to total £15.520 million at 31 March 2023.
- 4 The revised Resources capital budget is £4.275 million for 2022/23, with a total expenditure to 31 December 2022 of £2.481 million (58.04%).

**Recommendation(s)**

- 5 Corporate Overview and Scrutiny Management Board is recommended to note the forecast of outturn position.

## Background

6 County Council approved the Revenue and Capital budgets for 2022/23 at its meeting on 23 February 2022. These budgets have subsequently been revised to account for grant additions/reductions, corporate savings/adjustments, budget transfers between service groupings and budget profiling between years. This report covers the financial position for the following major budget areas maintained by the Resources service grouping:

- Revenue Budget - £25.943 million (original £25.249 million)
- Capital Programme - £4.275 million (original £11.977 million)

7 The original Resources General Fund budget has been revised in year to incorporate a number of budget adjustments as follows:

**£,000s**

### **Quarter 1:**

Transfer to NCC – Business Support	(22)
Transfer to REG – Business Support	(176)
Transfer to REG – Health & Safety	(795)
Transfer to REG – County Records	(258)
Transfer from CYPS to HR	71
Transfer from Contingencies	26
2021/22 Pay award	977
Transfer to Corporate Budget	(8)
Transfer from Business Support Reserve	24
Transfer from Procurement Development Reserve	77
Transfer from Human Resources Reserve	95
Transfer from ICT Reserve	19
Transfer from Legal Expenses Reserve	27
Transfer from Legal Services Reserve	34
Transfer from Digital Workforce Transformation Reserve	30
Transfer from Revenue & Benefits Reserve	193
Transfer from Internal Audit & Corporate Fraud Reserve	67
Transfer to Transformation Programme Reserve	(90)
Transfer from Resources Cash Limit Reserve	292

### **Quarter 2:**

Transfer from REG – Business Support	38
Transfer from AHW – Business Support	49
Transfer from AHW – Strategy	43

**Quarter 3**

Transfer from REG – Business Support	23
Transfer from AHW – Business Support	5
Transfer to NCC - Research and Consultant Officer	(47)
<b>TOTAL</b>	<b>694</b>

The revised General Fund Budget for Resources is £25.943 million

- 8 The summary financial statements contained in the report cover the financial year 2022/23 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 Resources 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.
- 9 The service is forecasting a cash limit underspend of £0.094 million (0.36%) against a revised budget of £25.943 million. This compares to the previous forecast, reported at quarter 2 of a cash limit underspend of £0.324 million and is therefore an decrease in the underspend of £0.230 million across the two forecasts.
- 10 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.

### Type of Expenditure (Subjective Analysis) (£000's)

	2022/23 Budget £000	YTD Actual £000	QTR3 Forecast of outturn £000	Variance (under) / over spend £000	Items Outside Cash Limit £000	Reserves £000	Cash Limit Variance £000	Memo Item: Q2 Cash Limit Variance £000
Employees	68,408	51,785	69,802	1,394	(3,430)	-	(2,037)	(792)
Premises	2,049	296	1,977	(72)	55	-	(17)	(19)
Transport	729	406	550	(179)	-	-	(179)	(144)
Supplies and Services	17,010	14,995	17,799	789	-	-	789	157
Third Party Payments	52	7,347	45	(7)	-	-	(7)	(8)
Transfer Payments	-	14	3	3	-	-	3	-
Central Support and Capital	27,031	1,245	26,998	(33)	(55)	(217)	(305)	(968)
<b>Gross Expenditure</b>	<b>115,279</b>	<b>76,088</b>	<b>117,173</b>	<b>1,895</b>	<b>(3,430)</b>	<b>(217)</b>	<b>(1,754)</b>	<b>(1,774)</b>
Income	(89,938)	(20,059)	(88,280)	1,658	-	-	1,658	1,450
<b>Net Expenditure</b>	<b>25,341</b>	<b>56,029</b>	<b>28,894</b>	<b>3,553</b>	<b>(3,430)</b>	<b>(217)</b>	<b>(94)</b>	<b>(324)</b>
HB Transfer payments	104,245	85,823	103,013	(1,229)	-	-	(1,229)	-
HB Central Support and Capital	300	-	300	-	-	-	-	-
HB Income	(103,943)	(484)	(102,711)	1,229	-	-	1,229	-
<b>HB Net Expenditure</b>	<b>602</b>	<b>85,339</b>	<b>602</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Net Exp</b>	<b>25,943</b>	<b>141,368</b>	<b>29,496</b>	<b>3,553</b>	<b>(3,430)</b>	<b>(217)</b>	<b>(94)</b>	<b>(324)</b>

## By Head of Service (£000's)

	2022/23 Budget £000	YTD Actual £000	QTR3 Forecast of outturn £000	Variance (under) / over spend £000	Items Outside Cash Limit £000	Reserves £000	Cash Limit Variance £000	Memo Item: Q2 Cash Limit Variance £000
Central Establishment Recharges	(24,184)	-	(24,184)	-	-	-	-	-
Corporate Finance & Commercial Services	4,060	3,219	4,185	125	(214)	-	(89)	(182)
Internal Audit and Insurance	1,172	718	1,086	(86)	(53)	94	(45)	(54)
Legal & Democratic Services	8,593	6,779	8,646	53	(241)	(40)	(228)	(89)
Service Management / Central Charges	(10,497)	175	(10,551)	(54)	54	-	-	-
HR & Employee Services	4,972	3,813	5,453	481	(263)	(117)	101	146
Transactional & Customer Services	8,520	14,766	9,539	1,019	(853)	(133)	33	(392)
Digital Services	13,941	10,142	14,891	950	(441)	(251)	258	341
Corporate Policy Planning & Performance	2,217	1,783	2,405	188	(169)	(34)	(15)	(93)
Procurement Sales & Business Services	16,450	14,541	17,327	877	(1,250)	264	(109)	(1)
Pension	97	699	97	-	-	-	-	-
<b>Net Expenditure Excluding HB</b>	<b>25,341</b>	<b>56,635</b>	<b>28,894</b>	<b>3,553</b>	<b>(3,430)</b>	<b>(217)</b>	<b>(94)</b>	<b>(324)</b>
Housing Benefit	602	84,733	602	-	-	-	-	-
<b>Net Expenditure</b>	<b>25,943</b>	<b>141,368</b>	<b>29,496</b>	<b>3,553</b>	<b>(3,430)</b>	<b>(217)</b>	<b>(94)</b>	<b>(324)</b>

11 The table below provides a brief commentary on the variances against the revised budget analysed by Head of Service. The table identifies variances in the core budget only and excludes items outside of the

cash limit (e.g. redundancy costs) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	Year End (under) / overbudget £000	Year End (under) / overbudget £000
Central Establishment Recharges	Central Establishment Recharges	No material variances.	0	<b>0</b>
Corporate Finance & Commercial Services	Corporate Management	No material variances.	0	<b>(89)</b>
	Management Priority	£26,000 under budget on employees.	(26)	
	Financial Systems	£45,000 over budget on employees. £25,000 over budget on supplies & services.	70	
	Financial Management	£72,000 under budget on employees. £3,000 under budget on transport. £6,000 over budget on supplies & services. £32,000 under achieved income.	(37)	
	Strategic Finance	£110,000 under budget on employees. £20,000 over budget on supplies & services. £6,000 over achieved income.	(96)	
Procurement Sales & Business Services	Procurement	£109,000 overachieved income.	(109)	<b>(109)</b>
Pensions	Pension	No material variance.	0	<b>0</b>
HR & Employee Services	Advice & Guidance	£65,000 over budget on employees £11,000 under budget on transport £25,000 over budget on supplies & services. £11,000 under achieved income	90	
	Head of People & Talent Management	£15,000 over budget on employees.	15	

Head of Service	Service Area	Description	Year End (under) / overbudget £000	Year End (under) / overbudget £000
	Payroll & Employee Services	£73,000 under budget on employees. £5,000 under budget on transport £71,000 under achieved income.	(7)	<b>101</b>
	Occupational Health	£38,000 under budget in employees. £22,000 under budget on supplies & services. £63,000 under achieved income.	3	
Transactional & Customer Services	Customer Relations	£256,000 under budget on employees. £10,000 under budget on transport £7,000 under budget on supplies & services	(273)	<b>33</b>
	Service Management	£16,000 under budget on employees. £14,000 over budget on supplies & services	(2)	
	Revenue & Benefits	£104,000 under budget on employees. £35,000 under budget on transport £85,000 under budget on supplies & services. £532,000 under achieved on income	308	
Digital Services	Digital Services	£682,000 underbudget on employees. £34,000 underbudget on premises. £53,000 underbudget on transport. £49,000 under budget on supplies & services £1,076,000 under achieved income.	258	<b>258</b>
Internal Audit and Risk	Insurance and Risk	£3,000 over budget on employees. £13,000 over achieved income	(10)	
	Internal Audit	£13,000 underbudget on employees. £14,000 over achieved income.	(27)	

Head of Service	Service Area	Description	Year End (under) / overbudget £000	Year End (under) / overbudget £000
	Corporate Fraud	£13,000 underbudget on employees. £5,000 underachieved income	(8)	(45)
Legal and Democratic Services	Corporate and Democratic Core	£37,000 under budget on employees. £16,000 under budget on premises. £6,000 under budget on transport. £30,000 under budget on supplies & services. £90,000 over achieved income.	(179)	(228)
	Legal and Other Services	£300,000 under budget on employees. £11,000 under budget on transport £305,000 over budget on supplies & services. £43,000 over achieved income.	(49)	
Corporate Policy Planning & Performance	Head of Transformation	£20,000 under budget on employees.	(20)	(15)
	Equality & Strategy	£36,000 over budget on employees. £2,000 under budget on transport £6,000 under budget on supplies & services £35,000 over achieved income (relating to the overspend on employees)	(7)	
	Research & Intelligence	£31,000 over budget on employees. £6,000 over budget on supplies & services	37	
	Transformation	£20,000 under budget on employees. £1,000 under budget on transport £4,000 under budget on supplies & services.	(25)	
<b>TOTAL</b>				<b>(94)</b>

13 In summary, the service grouping is on track to maintain spending within its cash limit.



## Capital Programme

- 14 The original Resources capital programme was £11.977 million, and this has been revised for additions/reductions, budget transfers and budget profiling. The revised budget now stands at £4.275 million.
- 15 Summary financial performance to the end of December 2022 is shown below:

	Original Annual Budget 2022/23	Revised Annual Budget 2022/23	Actual Spend 31/12/2022	Remaining Budget 2022/23
	£000	£000	£000	£000
Digital Services	10,561	2,599	1,924	675
Corporate Finance & Commercial Services and Transactional & Customer Services	16	16	6	10
Corporate Policy, Planning & Performance	1,400	1,660	551	1,109
<b>Total</b>	<b>11,977</b>	<b>4,275</b>	<b>2,481</b>	<b>1,794</b>

- 16 The revised Resources capital budget is £4.275 million with a total expenditure to 31 December 2022 of £2.481 million (58.04%). A full breakdown of schemes and actual expenditure to 31 December 2022 is given in Appendix 2.
- 17 At year end the actual outturn performance will be compared against the revised budgets and at that time service and project managers will need to account for any budget variance.

## Background papers

- County Council Report (23 February 2022) – Medium Term Financial Plan 2022/23 to 2025/26 and Revenue and Capital Budget 2022/23.
- Cabinet Report (14 September 2022) – Forecast of Revenue and Capital Outturn 2022/23 – Period to 30 June 2022.
- Cabinet Report (16 November 2022) – Forecast of Revenue and Capital Outturn 2022/23 – Period to 30 September 2022.
- Cabinet Report (15 March 2023) – Forecast of Revenue and Capital Outturn 2022/23 – Period to 31 December 2022.

**Other useful documents**

- Previous Cabinet reports / None

**Author(s)**

Ian Herberson

Tel: 03000 261861

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## **Appendix 1: Implications**

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### **Legal Implications**

The consideration of regular budgetary control reports is a key component of the Council's Corporate and Financial Governance arrangements. This report shows the forecast spend against budgets agreed by the Council in February 2022 in relation to the 2022/23 financial year.

### **Finance**

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

### **Consultation**

Not applicable.

### **Equality and Diversity / Public Sector Equality Duty**

Not applicable.

### **Climate Change**

Not applicable.

### **Human Rights**

Not applicable.

### **Crime and Disorder**

Not applicable.

### **Staffing**

Not applicable.

### **Accommodation**

Not applicable.

### **Risk**

The consideration of regular budgetary control reports is a key component of the Councils Corporate and Financial Governance arrangements.

### **Procurement**

The outcome of procurement activity is factored into the financial projections included in the report.

## Appendix 2 Resources Capital Programme 2022/23 – Detailed Monitoring Statement to 31 December 2022

Resources	Revised Annual Budget	Actual Spend	Remaining Budget
	2022/23	31-Dec-22	2022/23
	£000	£000	£000
Applications and Development	259	-	259
Design and Print	2	-	2
Head of Service	2	-	2
Technical Services	2,117	1,701	416
Customer Relations	-	-	-
Digital Durham	219	219	-
Digital Engagement	-	4	(4)
<b>ICT Services Include Design and Print Total</b>	<b>2,599</b>	<b>1,924</b>	<b>675</b>
Migration of HR/Payroll Functionality	16	6	10
Policy Planning & Performance	1,660	551	1,109
<b>Financing Resources Total</b>	<b>1,676</b>	<b>557</b>	<b>1,119</b>
<b>RES Total</b>	<b>4,275</b>	<b>2,481</b>	<b>1,794</b>