

**Corporate Overview and Scrutiny
Management Board**

01 September 2023

**Resources – Revenue and Capital
Outturn 2022/23**

Ordinary Decision



Report of Paul Darby, Corporate Director of Resources

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To provide details of the final revenue and capital outturn budget position for the Resources service grouping, highlighting major variances in comparison with the budget.

Executive summary

- 2 In 2022/23 the service achieved a cash limit variance underspend of £0.567 million against a revised budget of £25.943 million. This compares to the previously forecast position (at quarter 3) of a £94,000 underspend for the year. The outturn position was therefore £0.473 million more underspent than previously reported.
- 3 The Resources Cash Limit balance carried forward at 31 March 2023 is £1.266 million. Other earmarked reserves under the direct control of RMT total £10.034 million at 31 March 2023.
- 4 The final Resources capital budget is £4.275 million for 2022/23, with total expenditure incurred to 31 March 2023 of £3.859 million (90.27%). A request will be made to the Member Officer Working Group to carry forward the £0.416 million underspend to the current year to augment the 2023/24 Capital Programme.

Recommendation(s)

- 5 Corporate Overview and Scrutiny Management Board is recommended to note the final outturn position against the 2022/23 revenue and capital budgets.

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)
TOTAL	<hr/> 694

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 achieved a cash limit underspend of £0.567 million (2.19%) against a revised budget of £25.943 million.
- 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	Actual Outturn £000	Variance (under) / over spend £000	Items Outside Cash Limit £000	Reserves £000	Cash Limit Variance £000	Memo Item: Q3 Cash Limit Variance £000
Employees	68,436	69,445	1,009	(3,040)	-	(2,031)	(2,037)
Premises	2,049	2,435	386	(430)	-	(44)	(17)
Transport	729	504	(225)	(8)	-	(233)	(179)
Supplies and Services	17,010	18,810	1,800	20	-	1,820	789
Third Party Payments	52	7,932	7,880	-	-	7,880	(7)
Transfer Payments	-	14	14	-	-	14	3
Central Support and Capital	27,031	15,111	(11,920)	13,357	503	1,939	(305)
Gross Expenditure	115,307	114,251	(1,056)	9,899	503	9,345	(1,754)
Income	(89,364)	(85,328)	4,036	(13,947)	-	(9,912)	1,658
Net Expenditure	25,943	28,923	2,980	(4,048)	503	(567)	(94)
HB Transfer payments	104,245	114,774	10,529	(2,485)	(1,962)	6,082	(1,229)
HB Central Support and Capital	300	(713)	(1,013)	-	-	(1,013)	-
HB Income	(104,545)	(109,614)	(5,069)	-	-	(5,069)	1,229
HB Net Expenditure	-	4,447	4,447	(2,485)	(1,962)	-	-
Total Net Exp	25,943	33,370	7,427	(6,534)	(1,459)	(567)	(94)

By Head of Service (£000's)

	2022/23 Budget £000	Actual Outturn £000	Variance (under) / over spend £000	Items Outside Cash Limit £000	Reserves £000	Cash Limit Variance £000	Memo Item: Q3 Cash Limit Variance £000
Central Establishment Recharges	(24,184)	(37,410)	(13,226)	13,226	-	-	-
Corporate Finance & Commercial Services	4,060	4,095	35	(196)	-	(161)	(89)
Internal Audit and Insurance	1,172	1,052	(120)	(51)	119	(52)	(45)
Legal & Democratic Services	8,593	8,651	58	(338)	157	(123)	(228)
Service Management / Central Charges	(10,470)	3,134	13,604	(13,660)	(16)	(72)	-
HR & Employee Services	4,972	5,236	264	(292)	(24)	(52)	101
Transactional & Customer Services	9,095	9,089	(6)	(798)	536	(268)	33
Digital Services	13,941	15,419	1,478	(575)	(423)	480	258
Corporate Policy Planning & Performance	2,217	2,484	267	(174)	(248)	(155)	(15)
Procurement Sales & Business Services	16,450	17,090	640	(1,205)	401	(164)	(109)
Pension	97	83	(14)	14	-	-	-
Net Expenditure Excluding HB	25,943	28,923	2,980	(4,049)	502	(567)	(94)
Housing Benefit	-	4,447	4,447	(2,485)	(1,962)	-	-
Net Expenditure	25,943	33,370	7,427	(6,534)	(1,460)	(567)	(94)

- 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	£15,000 reduction in the provision for bad debts £57,000 under budget on employees	(72)	(72)
Corporate Finance & Commercial Services	Corporate Management	£1,000 under budget on employees £1,000 under budget on transport £1,000 over budget on supplies & services £3,000 over budget on central costs	2	(161)
	Management Priority	£26,000 under budget on employees.	(26)	
	Financial Systems	£46,000 over budget on employees. £38,000 over budget on supplies & services.	84	
	Financial Management	£88,000 under budget on employees. £5,000 under budget on transport. £41,000 over budget on supplies & services. £58,000 over achieved income.	(110)	
	Strategic Finance	£108,000 under budget on employees. £45,000 over budget on supplies & services. £48,000 over achieved income.	(111)	
Procurement Sales & Business Services	Procurement	£108,000 under budget on employees £56,000 overachieved income.	(164)	(164)
Pensions	Pension	No material variance.	0	0
HR & Employee Services	Advice & Guidance	£68,000 over budget on employees £4,000 under budget on transport £89,000 over achieved income	(25)	
	Head of People & Talent Management	£14,000 over budget on employees.	14	
	Payroll & Employee Services	£76,000 under budget on employees. £5,000 under budget on transport £71,000 under achieved income.	(10)	

Head of Service	Service Area	Description	Year End (under) / overbudget £000	Year End (under) / overbudget £000
	Occupational Health	£48,000 under budget in employees. £19,000 under budget on supplies & services. £36,000 under achieved income.	(31)	(52)
Transactional & Customer Services	Customer Relations	£108,000 under budget on employees. £34,000 under budget on premises £21,000 under budget on transport £48,000 under budget on supplies & services £10,000 under achieved income	(201)	(268)
	Service Management	£21,000 under budget on employees. £2,000 under budget on transport. £34,000 over budget on supplies & services	11	
	Revenue & Benefits	£62,000 under budget on employees. £74,000 under budget on transport £254,000 over budget on supplies & services. £196,000 over achieved income	(78)	
Digital Services	Digital Services	£546,000 under budget on employees. £14,000 under budget on premises. £20,000 under budget on transport. £53,000 under budget on supplies & services £1,113,000 under achieved income.	480	480
Internal Audit and Risk	Insurance and Risk	£1,000 under budget on employees. £3,000 over achieved income	(4)	
	Internal Audit	£10,000 under budget on employees. £22,000 over achieved income.	(32)	

Head of Service	Service Area	Description	Year End (under) / overbudget £000	Year End (under) / overbudget £000
	Corporate Fraud	£6,000 over budget on employees. £7,000 under budget on supplies and services. £15,000 over achieved income	(16)	(52)
Legal and Democratic Services	Corporate and Democratic Core	£33,000 under budget on employees. £10,000 under budget on premises. £50,000 under budget on transport. £77,000 under budget on supplies & services. £340,000 over achieved income.	(510)	(123)
	Legal and Other Services	£351,000 under budget on employees. £14,000 under budget on transport £657,000 over budget on supplies & services. £95,000 under achieved income.	387	
Corporate Policy Planning & Performance	Head of Transformation	£5,000 over budget on employees £1,000 under budget on supplies and services.	4	(155)
	Equality & Strategy	£40,000 over budget on employees. £5,000 under budget on supplies & services £2,000 under budget on transport £27,000 over achieved income (relating to the overspend on employees)	6	
	Research & Intelligence	£38,000 over budget on employees. £6,000 over budget on supplies & services £71,000 over achieved income (relating to employee overspend)	(27)	
	Transformation	£107,000 under budget on employees. £1,000 under budget on transport. £22,000 under budget on supplies and services. £8,000 over achieved income	(138)	
TOTAL				(567)

- 12 The final outturn position was £0.473 million more underspent than the forecast prepared at Quarter 3 and reported to Cabinet in March. This means that there is an increase in the cash limit reserve carried forward at year end.
- 13 In addition to the budgets controlled by Heads of Service there is a budget of £4.188 million for Centrally Administered Costs (CAC) covering corporate items such as the Town and Parish Local Council Tax Support Scheme Grant contributions, subscriptions to the LGA, etc.
- 14 The final position against this budget is an underspend of £0.328 million. The underspend mainly represents reduced expenditure on legal expenses and corporate subscriptions, and increased income from de-minimis capital receipts. In addition, New Burdens Government grant funding was received in respect of the “Redmond Review”. This was an independent review which looked at local authority financial reporting and external audit. This additional funding more than offset an increase in the external audit fees.

Capital Programme

- 15 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.
- 16 Summary financial performance to the end of March 2023 is shown below:

	Original Annual Budget 2022/23	Final Annual Budget 2022/23	Actual Spend 2022/23	(Under) / Over Spend in Year	Actual Spend as a % of Budget
	£000	£000	£000	£000	%
Digital Services	10,561	2,599	2,901	303	111.62
Corporate Finance & Commercial Services and Transactional & Customer Services	16	16	4	(12)	25.00
Corporate Policy, Planning & Performance	1,400	1,660	954	(706)	57.47
Total	11,977	4,275	3,859	(415)	90.27

- 17 The outturn position will be reported to MOWG in May 2023 as part of the capital outturn and requests will be made to carry forward the budget variances and incorporate these as changes to the 2023/24

budget. A full breakdown of schemes and actual expenditure to 31 March 2023 is given in Appendix 2.

Background papers

- County Council Report (23 February 2022) – Medium Term Financial Plan 2022/23 to 2025/26 and Revenue and Capital Budget 2022/23.
- RMT Report (26 July 2022) – Forecast of Revenue and Capital Outturn 2022/23 – Period to 30 June 2022.
- RMT Report (04 October 2022) – Forecast of Revenue and Capital Outturn 2022/23 – Period to 30 September 2022.
- RMT Report (31 January 2023) – Forecast of Revenue and Capital Outturn 2022/23 – Period to 30 December 2022.

Other useful documents

- Previous Cabinet reports / None

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Appendix 1: Implications

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 actual 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 March 2023

Resources	Revised Annual Budget	Actual Spend	Remaining Budget
	2022/23	31-Mar-23	2022/23
	£000	£000	£000
Design and Print	2,380	2,554	(174)
Head of Service	219	347	(128)
ICT Services Include Design and Print Total	2,599	2,901	(302)
Migration of HR/Payroll Functionality	16	4	12
Policy Planning & Performance	1,660	954	706
Financing Resources Total	1,676	958	718
RES Total	4,275	3,859	416