

**Corporate Overview and Scrutiny
Management Board**

01 September 2023

**Resources – Quarter 1 June 2023:
Forecast of Revenue and Capital
Outturn 2023/24**

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 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 June 2023.

Executive summary

- 2 The initial quarter 1 forecast position shows that the service is forecasting a cash limit overspend of £4,000 against a revised budget of £23.013 million.
- 3 The Resources cash limit balance carried forward at 31 March 2024 is forecast to be circa £0.974 million. Other earmarked reserves under the direct control of Resources Management Team (RMT) are forecast to total £8.087 million at 31 March 2024.
- 4 The revised Resources capital budget is £8.400 million for 2023/24, with a total expenditure to 30 June 2023 of £0.784 million (9.33%).

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 2023/24 at its meeting on 22 February 2023. 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 - £23.013 million (original £25.082 million)
- Capital Programme - £8.400 million (original £8.400 million)

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

	<u>£,000s</u>
Quarter 1:	
Transfer to CEO – Design Services	28
Transfer to CEO – Corporate Policy Planning & Performance	(1,932)
Transfer to CEO – Corporate Affairs & Management	(299)
Transfer from CEO – Web Team	134
TOTAL	<u>(2,069)</u>

The revised General Fund Budget for Resources is £23.013 million.

8 The summary financial statements contained in the report cover the financial year 2023/24 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 overspend of £4,000 (0.02%) against a revised budget of £23.013 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)

	2023/24 Budget £000	YTD Actual £000	QTR1 Forecast of Outturn £000	(From) / To Reserves £000	Items Outside Cash Limit £000	Cash Limit Variance £000
Employees	66,122	16,208	66,436	-	(223)	91
Premises	2,212	94	2,132	-	-	(80)
Transport	649	124	514	-	-	(135)
Supplies and Services	17,920	7,642	18,322	-	-	402
Third Party Payments	51	3,630	44	-	-	(7)
Transfer Payments	819	218	819	-	-	-
Central Support and Capital	29,601	1,121	29,490	(1,607)	-	(1,718)
Gross Expenditure	117,374	29,037	117,757	(1,607)	(223)	(1,447)
Income	(94,361)	(11,330)	(92,910)	-	-	1,451
Net Expenditure	23,013	17,707	24,846	(1,607)	(223)	4
HB Transfer payments	103,426	26,656	106,626	-	(3,200)	-
HB Central Support and Capital	300	-	300	-	-	-
HB Income	(103,726)	(26,153)	(103,726)	-	-	-
HB Net Expenditure	-	503	3,200	-	(3,200)	-
Total Net Expenditure	23,013	18,210	28,046	(1,607)	(3,423)	4

By Head of Service (£000's)

	2023/24 Budget £000	YTD Actual £000	QTR1 Forecast of Outturn £000	(From) / To Reserves £000	Items Outside Cash Limit £000	Cash Limit Variance £000
Corporate Finance & Commercial Services	4,022	972	3,936	(34)	(33)	(153)
Digital Services	15,262	2,915	15,642	(7)	(34)	340
HR & Employee Services	4,567	541	5,082	(257)	(10)	247
Internal Audit & Insurance	1,135	274	1,109	(46)	(8)	(80)
Legal & Democratic Services	8,899	2,631	8,866	-	(25)	(58)
Pensions	77	230	77	-	(9)	(9)
Procurement Sales & Business Services	16,982	4,505	17,772	(802)	(81)	(93)
Resources Central Establishment Recharges	(24,975)	-	(24,975)	-	-	-
Resources Management / Central Charges	(13,018)	53	(13,011)		(7)	-
Transactional & Customer Services	10,062	5,586	10,348	(461)	(16)	(190)
Net Expenditure Excluding HB	23,013	17,707	24,846	(1,607)	(223)	4
Housing Benefit	-	503	3,200	-	(3,200)	-
Total Net Expenditure	23,013	18,210	28,046	(1,607)	(3,423)	4

- 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	(Under) / Over Budget £000	(Under) / Over Budget £000
Resources Central Establishment Recharges	Central Establishment Recharges	No material variances	0	0
Resources Management / Central Charges		No material variances	0	0
Corporate Finance & Commercial Services	Corporate Management	(£67,000) under budget on employees	(67)	(153)
	Management Priority	(£26,000) under budget on employees	(26)	
	Financial Systems	£20,000 over budget on employees	20	
	Financial Management	£15,000 over budget on employees £32,000 under achieved income	47	
	Strategic Finance	(£77,000) under budget on employees (£50,000) over achieved income	(127)	
Procurement Sales & Business Services	Procurement	(£93,000) under budget on employees	(93)	(93)
Digital Services	Digital and Customer Services	(£590,000) under budget on employees (£34,000) under budget on premises (£50,000) under budget on transport £118,000 over budget on supplies & services £896,000 under achieved income	340	340
Pensions	Pension	No material variance	(9)	(9)
HR & Employee Services	Advice & Guidance	£10,000 over budget on employees. (£6,000) under budget on transport (£7,000) under budget on supplies & services £22,000 under achieved income	19	247
	Head of People & Talent Management	£16,000 over budget on employees	16	

Head of Service	Service Area	Description	(Under) / Over Budget £000	(Under) / Over Budget £000
	Payroll & Employee Services	£23,000 over budget on employees (£5,000) under budget on Transport £210,000 under achieved income	228	
	Occupational Health	(£28,000) under budget on employees £12,000 under achieved income	(16)	
Transactional & Customer Services	Customer Relations	(£49,000) under budget on employees (£33,000) under budget on premises (£19,000) under budget on transport (£28,000) under budget on supplies and services £17,000 under achieved income	(112)	(190)
	Service Management	(£4,000) under budget on employees	(4)	
	Revenue & Benefits	(£105,000) under budget on employees (£25,000) under budget on transport £22,000 over budget on supplies & services £34,000 under achieved income	(74)	
Internal Audit and Risk	Insurance and Risk	(£13,000) under budget on employees (£7,000) over achieved income	(20)	(80)
	Internal Audit	(£61,000) under budget on employees (£4,000) under budget on transport (£2,000) under budget on supplies and services	(67)	
	Corporate Fraud	£2,000 over budget on employees £5,000 under achieved income	7	
Legal and Democratic Services	Corporate and Democratic Core	(£35,000) under budget on employees (£21,000) under budget on transport (£4,000) under budget on supplies and services (£44,000) over achieved income	(104)	(58)
	Legal and Other Services	(£98,000) under budget on employees £3,000 over budget on transport (£14,000) under budget on premises £43,000 over budget on supplies & services £112,000 under achieved income	46	
TOTAL				4

- 12 In summary, the service grouping is not on track to maintain spending within its cash limit.

Capital Programme

- 13 The original Resources capital programme was £8.400 million, and this has been revised for additions, reductions, budget transfers and budget profiling. The revised budget remains at £8.400 million.
- 14 Summary financial performance to the end of June 2023 is shown below:

	Original Annual Budget 2023/24	Revised Annual Budget 2023/24	Actual Spend 30/06/2023	Remaining Budget 2023/24
	£000	£000	£000	£000
Digital & Customer Services	8,387	8,387	774	7,613
Corporate Finance & Commercial Services and Finance & Transactional Services	13	13	10	3
Total	8,400	8,400	784	7,616

- 15 The revised Resources capital budget is £8.400 million with a total expenditure to 30 June 2023 of £0.784 million (9.33%). A full breakdown of schemes and actual expenditure to 30 June 2023 is given in Appendix 2.
- 16 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 (22 February 2023) – Medium Term Financial Plan 2023/24 to 2026/27 and Revenue and Capital Budget 2023/24.

Other useful documents

- Previous Cabinet reports / None

Author(s)

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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 forecast spend against budgets agreed by the Council in February 2023 in relation to the 2023/24 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 2023/24 – Detailed Monitoring Statement to 30 June 2023

Resources	Revised Annual Budget	Actual Spend	Remaining Budget
	2023/24	30-Jun-23	2023/24
	£000	£000	£000
Applications and Development	453	139	314
Design and Print	2	-	2
Technical Services	3,903	612	3,291
Digital Durham	3,986	-	3,986
Digital Engagement	43	23	20
ICT Services Include Design and Print Total	8,387	774	7,613
Migration of HR/Payroll Functionality	13	10	3
Financing Resources Total	13	10	3
RES Total	8,400	784	7,616