

**Corporate Overview and Scrutiny
Management Board**

3 September 2024

**Resources – 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 final revenue and capital outturn budget position for the Resources service grouping, highlighting major variances in comparison with the budget.

Executive Summary

- 2 In 2023/24 the service achieved a cash limit underspend of £2.089 million against a revised budget of £27.328 million. This compares to the previously forecast position (at quarter 3) of a £1.434 million underspend for the year. The outturn position was therefore £0.655 million more underspent than previously reported.
- 3 The Resources cash limit balance carried forward at 31 March 2024 is £1.133 million. Other earmarked reserves under the direct control of RMT total £3.420 million at 31 March 2024.
- 4 The final Resources capital budget was £4.745 million for 2023/24, with total expenditure incurred to 31 March 2024 of £3.833 million (80.8%). A request was made to the Member Officer Working Group (MOWG) to carry forward the full £0.912 million underspend to the current year to augment the 2024/25 Capital Programme.

Recommendation(s)

- 5 Corporate Overview and Scrutiny Management Board is recommended to note the final outturn position against the 2023/24 revenue and capital budgets.

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 - £27.328 million (original £25.082 million)
- Capital Programme - £4.745 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
Quarter 2:	
Transfer from REG – Business Support Posts	48
Transfer from Contingencies – Customer Relations Manager	49
Transfer from Contingencies – Loss of Diocese school SLA income	132
Transfer from CEO – Corporate Affairs & Management	(16)
Transfer from AHS – Business Support Posts	26
Quarter 3:	
23-24 Pay award	4,076
TOTAL	<u>2,246</u>

The revised General Fund Budget for Resources is £27.328 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 achieved a cash limit underspend of £2.089 million (7.6%) against a revised budget of £27.328 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	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	70,315	70,174	(141)	185	0	44	(1,108)
Premises	2,212	2,861	649	(280)	0	369	(99)
Transport	647	515	(133)	0	0	(133)	(129)
Supplies and Services	17,909	20,750	2,841	0	0	2,841	2,406
Third Party Payments	51	6,774	6,723	0	0	6,723	36
Transfer Payments	819	859	40	0	0	40	3
Central Support and Capital	12,648	12,953	304	2,125	(1,435)	994	(1,137)
Gross Expenditure	104,602	114,886	10,284	2,029	(1,435)	10,879	(28)
Income	(77,274)	(88,373)	(11,099)	(1,869)	0	(12,968)	(1,406)
Net Expenditure	27,328	26,513	(815)	160	(1,435)	(2,089)	(1,434)
HB Transfer payments	103,426	114,032	10,606	(2,400)	0	8,206	12,297
HB Central Support and Capital	300	266	(34)	0	0	(34)	0
HB Income	(103,726)	(111,898)	(8,171)	0	0	(8,171)	(12,297)
HB Net Expenditure	0	2,400	2,400	(2,400)	0	0	0
Total Net Expenditure	27,328	28,914	1,586	(2,240)	(1,435)	(2,089)	(1,434)

By Head of Service (£000's)

	2023/24 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
Corporate Finance & Commercial Services	3,794	3,941	147	(345)	(38)	(236)	(152)
Digital Services	15,977	10,765	(5,212)	4,195	(223)	(1,239)	(936)
HR & Employee Services	4,919	5,665	745	98	(654)	189	195
Internal Audit & Insurance	1,212	1,324	112	(3)	(214)	(105)	(127)
Legal & Democratic Services	9,222	9,081	(140)	(254)	(65)	(460)	(175)
Pensions	83	19	(64)	56	0	(8)	0
Procurement Sales & Business Services	18,600	18,197	(404)	(11)	389	(26)	(59)
Resources Central Establishment Recharges	(38,665)	(34,189)	4,476	(4,476)	0	0	0
Resources Management / Central Charges	990	541	(449)	788	38	377	418
Transactional & Customer Services	11,196	11,170	(27)	114	(668)	(581)	(598)
Net Expenditure Excluding HB	27,328	26,513	(815)	160	(1,435)	(2,089)	(1,434)
Housing Benefit	0	2,400	2,400	(2,400)	0	0	0
Total Net Expenditure	27,328	28,914	1,586	(2,240)	(1,435)	(2,089)	(1,434)

- 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	Central Charges	£418,000 transferred to corporate contingencies for pay award relating to vacant posts (£55,000) reduction in bad debt provision.	377	377
Corporate Finance & Commercial Services	Corporate Finance Management	(£40,000) under budget on employees	(40)	
	Management Priority	No material variances	1	
	Financial Systems	£10,000 over budget due to unachieved staff turnover savings £9,000 over budget due to Oracle FMS Support	19	
	Financial Management	(£67,000) due to unbudgeted SLA income. (£12,000) under budget on training.	(89)	
	Strategic Finance	(£81,000) under budget on employees due to vacant posts in advance of planned MTFP 14 savings £13,000 over budget due to treasury management software £18,000 over budget on IAS 19 Pension Fund Accounting. (£35,000) over achieved income on SLAs. (£50,000) overachieved income from the Pension Fund in advance of planned MTFP 14 savings	(127)	
Procurement Sales & Business Services	Procurement	(£26,000) under budget on employees due to a vacant post within the Corporate Procurement team	(26)	(26)
Digital Services	Digital and Customer Services	(£1,171,000) under budget due to vacant posts for impending service restructure and planned MTFP savings (£76,000) under budget on premises due to reduction in service charge at EDC and electricity at the Data Centre		

Head of Service	Service Area	Description	(Under) / Over Budget £000	(Under) / Over Budget £000
		(£11,000) under budget on transport due to a reduction in car allowances and staff travel (£600,000) under budget on consumables due to reduced ad-hoc work, computer software and hardware. (£248,000) under budget due to a 22-23 related recharge not being processed until 23-24 £368,000 under achieved Income on Schools SLAs due to loss of customers and academisation £371,000 under achieved income on recharges to other bodies. £128,000 under achieved Income on Non-SLA work due to lower ad-hoc work expected	(1,239)	(1,239)
Pensions	Pensions	No material variance	(8)	(8)
HR & Employee Services	Advice & Guidance	(£49,000) under budget on employees due to vacant posts. £68,000 under achieved income due to loss of school SLAs, which is partly offset by £36,000 generating other business. Plus other minor variances	23	189
	Head of HR & Employee Services	No material variance	3	
	Payroll & Employee Services	(£12,000) under budget due to reduced printing £167,000 under achieved income mainly due to loss of school SLAs	156	
	Occupational Health	(£46,000) under budget due to flexible retirement and temporary vacant post (£10,000) under budget due to increased telephone counselling rather than face to face counselling £63,000 under achieved income due to loss of school and other local authority SLAs	7	
Transactional & Customer Services	Customer Relations	(£80,000) under budget on employees due to vacant posts in advance of planned MTFP 14 savings		

Head of Service	Service Area	Description	(Under) / Over Budget £000	(Under) / Over Budget £000
		(£150,000) under budget on employees due to vacant posts. (£18,000) under budget on Car Allowances and Staff Traveling. (£39,000) under budget on Telephony and Computer Software. (£28,000) under budget due to rent no longer required at CLS CAP. £20,000 under achieved rechargeable income.	(291)	
	Service Management	£18,000 over budget on employees.	18	
	Revenue & Benefits	(£226,000) under budget on employees due to vacant posts and other minor variances. (£30,000) under budget on staff travel due to new ways of working (£53,000) over achieved income due to additional Council Tax Court Fees, offset by a loss in enforcement fees	(308)	(581)
Internal Audit and Risk	Insurance and Risk	(£15,000) under budget on employees due to vacancies throughout the year (£100,000) unbudgeted recharge to the Insurance Fund (£13,000) over achieved income on SLA's.	(128)	
	Internal Audit	(£27,000) under budget on employees due to vacancies during the year (£10,000) under budget in advance of planned MTFP 14 savings Plus other minor variances.	(47)	
	Corporate Fraud	£5,000 over budget due to unachieved staff turnover savings £10,000 over budget due to various subscription £52,000 under achieved income on recharging other bodies	70	(105)
Legal and Democratic Services	Corporate and Democratic Core	(£63,000) under budget on employees due to vacant posts in Committee Secretariat. (£90,000) under budget due to reduction in Members, travelling and conferences.	(142)	

Head of Service	Service Area	Description	(Under) / Over Budget £000	(Under) / Over Budget £000
		£16,000 under achieved income due reduction in service to the Fire Authority.		
	Legal and Other Services	(£245,000) under budget on employees due to vacant posts. £150,000 over budget due to Barrister Fees. £37,000 under achieved income for land charges. (£50,000) unbudgeted recharge to the insurance fund. (£206,000) overachieved income in the Registration Service.	(318)	(460)
TOTAL				(2,089)

Capital Programme

- 12 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 £4.745 million.
- 13 Summary financial performance to the end of March 2023 is shown below:

	Original Annual Budget 2023/24	Final Annual Budget 2023/24	Actual Spend 2023/24	(Under) / Over Spend in Year	Actual Spend as a % of Budget
	£000	£000	£000	£000	%
Digital Services	8,387	4,729	3,817	(912)	80.71
Corporate Finance & Commercial Services and Transactional & Customer Services	13	16	16	-	100.00
Total	8,400	4,745	3,833	(912)	80.78

- 14 The outturn position was reported to MOWG in May 2024 as part of the capital outturn and requested the budget variances be carried forward

and incorporated into the 2024/25 budget. A full breakdown of schemes and actual expenditure to 31 March 2024 is given in Appendix 2.

Background papers

- County Council Report (22 February 2023) – [Medium Term Financial Plan 2023/24 to 2026/27 and Revenue and Capital Budget 2023/24](#)
- Cabinet Report (13 September 2023) – [Forecast of Revenue and Capital Outturn 2023/24 - Period to 30 June 2023 and Update on Progress towards achieving MTFP \(13\) savings](#)
- Cabinet Report (15 November 2023) – [Forecast of Revenue and Capital Outturn 2023/24 - Period to 30 September 2023 and Update on Progress towards achieving MTFP \(13\) savings](#)
- Cabinet Report (13 March 2024) – [Forecast of Revenue and Capital Outturn 2023/24 - Period to 31 December 2023 and Update on Progress towards achieving MTFP \(13\) savings](#)
- Cabinet Report (10 July 2024) - [2023/24 Final Outturn for the General Fund and Collection Fund](#)

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 actual 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 alongside details of balance sheet items such as earmarked reserves held by the service grouping to support its priorities.

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 31 March 2024

Resources	Revised Annual Budget	Actual Spend	Remaining Budget
	2023/24	31-Mar-24	2023/24
	£000	£000	£000
Applications and Development	253	189	64
Design and Print	233	233	-
Technical Services	3,743	3,067	676
Digital Durham	457	294	163
Digital Engagement	43	34	9
ICT Services Include Design and Print Total	4,729	3,817	912
Migration of HR/Payroll Functionality	16	16	-
Financing Resources Total	16	16	-
RES Total	4,745	3,833	912