

**Corporate Overview and Scrutiny
Management Board**

03 October 2024



**Resources – Quarter 1 June 2024:
Forecast of Revenue and Capital
Outturn 2024/25**

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 2024.

Executive Summary

- 2 The quarter 1 outturn position shows that the service is forecasting a cash limit underspend of £0.691 million against a revised budget of £18.002 million.
- 3 The Resources cash limit balance carried forward at 31 March 2025 is forecast to be circa £1.628 million. Other earmarked reserves under the direct control of RMT are forecast to total £1.188 million at 31 March 2025.
- 4 The revised Resources capital budget is £8.004 million for 2024/25, with total expenditure to 30 June 2024 of £0.877 million (10.96%).

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 2024/25 at its meeting on 28 February 2024. 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 - £18.002 million (original £28.264 million)
- Capital Programme - £8.004 million (original £8.004 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 – Legal & Democratic Services	9,053
Transfer to CEO – Digital Services (Corporate BI)	947
Transfer to REG – Parking Services Staff	262
TOTAL	<u>10,262</u>

The revised General Fund Budget for Resources is £18.002 million.

8 The summary financial statements contained in the report cover the financial year 2024/25 and show:

- The approved annual budget;
- The forecast 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 £0.691 million (3.84%) against a revised budget of £18.002 million.

10 The tables below compare forecast of outturn 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)

	2024/25 Budget £000	Forecast Outturn £000	Variance (under) / over spend £000	Items Outside Cash Limit £000	Reserves £000	Cash Limit Variance £000
Employees	61,741	61,399	(342)	0	0	(342)
Premises	1,909	1,948	39	0	0	39
Transport	413	347	(66)	0	0	(66)
Supplies and Services	12,730	13,390	660	0	0	660
Third Party Payments	51	21	(31)	0	0	(31)
Transfer Payments	836	840	4	0	0	4
Central Support and Capital	13,907	13,888	(19)	(157)	(954)	(1,129)
Gross Expenditure	91,587	91,833	246	(157)	(954)	(865)
Income	(76,185)	(76,011)	173	0	0	173
Net Expenditure	15,402	15,822	419	(157)	(954)	(691)
HB Transfer payments	117,600	119,282	1,682	(932)	0	750
HB Central Support and Capital	0	50	50	0	0	50
HB Income	(115,000)	(115,800)	(800)	0	0	(800)
HB Net Expenditure	2,600	3,532	932	(932)	0	0
Total Net Expenditure	18,002	19,354	1,351	(1,089)	(954)	(691)

By Head of Service (£000's)

	2024/25 Budget £000	Forecast Outturn £000	Variance (under) / over spend £000	Items Outside Cash Limit £000	Reserves £000	Cash Limit Variance £000
Corporate Finance & Commercial Services	3,573	3,424	(149)	(3)	62	(90)
Digital Services	15,017	15,226	209	(10)	(116)	83
HR & Employee Services	4,858	5,359	501	(142)	(179)	180
Internal Audit & Insurance	1,101	1,080	(21)	0	(20)	(41)
Pensions	37	37	0	0	0	0
Procurement Sales & Business Services	17,756	17,968	212	(1)	(579)	(369)
Resources Central Establishment Recharges	(41,024)	(41,024)	0	0	0	0
Resources Management / Central Charges	3,041	3,066	25	0	0	25
Transactional & Customer Services	11,044	10,687	(358)	0	(122)	(480)
Net Expenditure Excluding HB	15,402	15,822	419	(157)	(954)	(691)
Housing Benefit	2,600	3,532	932	(932)	0	0
Total Net Expenditure	18,002	19,354	1,351	(1,089)	(954)	(691)

- 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	£25,000 over budget on leasing scheme management fees	25	25
Resources Management / Central Charges	Central Charges	No material variances	0	0
Corporate Finance & Commercial Services	Corporate Finance Management	No material variance	(5)	(90)
	Management Priority	No material variances	3	
	Financial Systems	£14,000 over budget due to unachieved staff turnover savings	14	
	Financial Management	(£85,000) under budget on employees due to vacant posts identified as MTFP savings (£35,000) under budget on employees due to a vacant post following a secondment (£39,000) due to additional SLA income	(153)	
	Strategic Finance	£85,000 over budget on employees due to 2 unbudgeted graduate posts. £43,000 over budget due to unachieved staff turnover savings. (£77,000) due to additional SLA agreements	51	
Procurement Sales & Business Services	Procurement	(£107,000) under budget on employees due to identified MTFP 15 savings (£20,000) under budget due to part year vacancies	(134)	(369)
	Business Support	(£178,000) under budget due to vacant posts identified as MTFP 15 savings. (£100,000) under budget due to current vacant posts (£16,000) under budget on car allowances £68,000 under achieved school SLA income	(234)	

Head of Service	Service Area	Description	(Under) / Over Budget £000	(Under) / Over Budget £000
Digital Services	Digital and Customer Services	(£339,000) under budget due to vacant posts for impending service restructure and planned MTFP savings £422,000 under achieved income on SLA and non SLA income due to loss of customers and academisation	83	83
Pensions	Pensions	No material variance	-	-
HR & Employee Services	Advice & Guidance	£23,000 overspend on subscriptions £121,000 under achieved income due to loss of school SLAs.	158	180
	Head of HR & Employee Services	No material variance	4	
	Payroll & Employee Services	(£16,000) under budget due to reduced printing and transport costs £74,000 under achieved income mainly due to loss of school SLAs	58	
	Occupational Health	(£20,000) under budget due to flexible retirement (£18,000) over achieved income due to new SLA	(40)	
Transactional & Customer Services	Customer Relations	(£161,000) under budget on employees due to vacant posts in advance of identified MTFP 15 savings (£30,000) over achieved SLA income.	(232)	(480)
	Service Management	No material variance	0	
	Revenue & Benefits	(£108,000) under budget on employees due to vacant posts identified as MTFP 15 savings. (£85,000) under budget on supplies and services identified as MTFP 15 savings (£25,000) under budget on transport related costs. (£39,000) over achieved income	(248)	
Internal Audit and Risk	Insurance and Risk	(£19,000) under budget on employees due to vacancies throughout the year	(19)	

Head of Service	Service Area	Description	(Under) / Over Budget £000	(Under) / Over Budget £000
	Internal Audit	(£43,000) under budget on employees due to future planned MTFP savings £15,000 under achieved income due to loss of college SLA.	(23)	(41)
	Corporate Fraud	No material variance	1	
TOTAL				(691)

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

Capital Programme

- 13 The original Resources capital programme was £8.004 million, and this has been revised for additions, reductions, budget transfers and budget profiling. The revised budget remains at £8.004 million.
- 14 Summary financial performance to the end of June 2024 is shown below:

	Original Annual Budget 2024/25	Revised Annual Budget 2024/25	Actual Spend 30-Jun-24	Remaining Budget
	£000	£000	£000	£000
Digital Services	6,903	6,903	877	6,026
Transactional & Customer Services	1,100	1,100	-	1,100
Human Resources and Employee Services	1	1	-	1
Total	8,004	8,004	877	7,127

Background papers

- [County Council Report \(28 February 2024\) - Medium Term Financial Plan 2024/25 to 2027/28 and Revenue and Capital Budget 2024/25](#)

Other useful documents

- Previous Cabinet reports / None

Author(s)

Ed Thompson

Tel: 03000 263481

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 2024 in relation to the 2024/25 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 2024/25 – Detailed Monitoring Statement to 30 June 2024

Resources	Revised Annual Budget	Actual Spend	Remaining Budget
	2024/25	30-Jun-24	2024/25
	£000	£000	£000
Applications and Development	234	-	234
Design and Print	34	-	34
Technical Services	2,880	588	2,292
Digital Durham	3,693	289	3,404
Digital Engagement	63	-	63
ICT Services Include Design and Print Total	6,903	877	6,026
Civica Systems (Open Revenues/Civica Pay)	1,100	-	1,100
Transactional & Customer Services Total	1,100	-	1,100
Migration of HR/Payroll Functionality	1	-	1
Human Resources & Employee Services Total	1	-	1
RES Total	8,004	877	7,127