

**Corporate Overview and Scrutiny
Management Board**

9 December 2024



**Resources – Quarter 2 September 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 September 2024.

Executive Summary

- 2 The quarter 2 outturn position shows that the service is forecasting a cash limit underspend of £1.108 million against a revised budget of £18.044 million.
- 3 The Resources cash limit balance carried forward at 31 March 2025 is forecast to be circa £2.045 million. Other earmarked reserves under the direct control of RMT are forecast to total £1.935 million at 31 March 2025.
- 4 The revised Resources capital budget is £5.817 million for 2024/25, with total expenditure to 30 September 2024 of £3.348 million (57.56%).

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 - £18.044 million (original £28.264 million)
 - Capital Programme - £5.817 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)
Quarter 2:	
Chief Officer Pay Award	65
Transfer to REG – Culture, Sport, and Tourism Staff	(24)
TOTAL	<u>(10,221)</u>

The revised General Fund Budget for Resources is £18.044 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 £1.108 million (6.14%) against a revised budget of £18.044 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	Forecast Outturn	Variance (under) / over spend	Items Outside Cash Limit	Reserves	Cash Limit Variance
	£000	£000	£000	£000	£000	£000
Employees	61,816	61,535	(281)	0	0	(281)
Premises	1,909	1,910	1	0	0	1
Transport	413	380	(33)	0	0	(33)
Supplies and Services	12,730	13,026	296	0	0	296
Third Party Payments	51	21	(30)	0	0	(30)
Transfer Payments	836	846	10	0	0	10
Central Support and Capital	13,907	13,999	92	(203)	(326)	(437)
Gross Expenditure	91,663	91,717	55	(203)	(326)	(474)
Income	(76,219)	(76,853)	(634)	0	0	(634)
Net Expenditure	15,444	14,865	(579)	(203)	(326)	(1,108)
HB Transfer payments	117,600	119,375	1,775	(683)	0	1,092
HB Central Support and Capital	0	(192)	(192)	0	0	(192)
HB Income	(115,000)	(115,900)	(900)	0	0	(900)
HB Net Expenditure	2,600	3,283	683	(683)	0	0
Total Net Expenditure	18,044	18,148	104	(886)	(326)	(1,108)

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	3,589	3,470	(119)	(11)	40	(91)
Digital Services	15,026	14,731	(296)	(33)	155	(173)
HR & Employee Services	4,871	5,346	475	(155)	(179)	141
Internal Audit & Insurance	1,103	1,075	(28)	(1)	(20)	(49)
Pensions	37	37	0	(0)	0	(0)
Procurement Sales & Business Services	17,856	17,627	(230)	(3)	(206)	(438)
Resources Central Establishment Recharges	(38,151)	(38,131)	20	0	0	20
Resources Management / Central Charges	174	176	3	0	0	3
Transactional & Customer Services	10,938	10,534	(404)	0	(117)	(521)
Net Expenditure Excluding HB	15,444	14,865	(579)	(203)	(326)	(1,108)
HB Transfer payments	2,600	3,283	683	(683)	0	0
Total Net Expenditure	18,044	18,148	104	(886)	(326)	(1,108)

- 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	23	23
Resources Management / Central Charges	Central Charges	No material variances	0	0
Corporate Finance & Commercial Services	Corporate Finance Management	No material variance	(3)	
	Management Priority	No material variances	3	
	Financial Systems	£10,000 over budget due to unachieved staff turnover savings	10	
	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 unbudgeted SLA income	(148)	
	Strategic Finance	£85,000 over budget on employees due to 2 unbudgeted graduate posts. £19,000 over budget on external treasury management services £19,000 over budget on IAS 19 pension accounting information (£77,000) due to additional SLA agreements	47	(91)
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)	

Head of Service	Service Area	Description	(Under) / Over Budget £000	(Under) / Over Budget £000
	Business Support	(£178,000) under budget due to vacant posts identified as MTFP 15 savings. (£30,000) under budget due to vacant post identified as MTFP 14 savings (£150,000) under budget due to current vacant posts (£16,000) under budget on car allowances £68,000 under achieved school SLA income	(304)	(438)
Digital Services	Digital and Customer Services	(£357,000) under budget due to vacant posts for impending service restructure and planned MTFP savings. (£176,000) under budget due to reduced printing running costs. £130,000 overbudget on equipment related to the Connect the Classroom project £230,000 under achieved income mainly due to £333,000 loss of school SLAs offset by generating other business	(173)	(173)
Pensions	Pensions	No material variance	0	0
HR & Employee Services	Advice & Guidance	£23,000 unbudgeted subscriptions £58,000 under achieved income mainly due to £193,000 loss of school SLAs offset by generating other business.	81	
	Head of HR & Employee Services	No material variance	4	
	Payroll & Employee Services	(£17,000) under budget on employees (£11,000) under budget due to reduced printing and transport costs £105,000 under achieved income mainly due to £169,000 loss of school SLAs offset by generating other business.	76	
	Occupational Health	(£20,000) under budget due to flexible retirement £14,000 loss of external SLA income (£18,000) over achieved income due to new SLA	(20)	
				141

Head of Service	Service Area	Description	(Under) / Over Budget £000	(Under) / Over Budget £000
Transactional & Customer Services	Customer Relations	(£191,000) under budget on employees due to vacant posts in advance of identified MTFP 15 savings	(230)	(521)
	Service Management	No material variance	0	
	Revenue & Benefits	(£134,000) under budget on employees due to vacant posts identified as MTFP 15 savings. (£130,000) under budget on supplies and services identified as MTFP 15 savings (£27,000) under budget on transport related costs.	(291)	
Internal Audit and Risk	Insurance and Risk	(£19,000) under budget on employees due to vacancies throughout the year	(14)	(49)
	Internal Audit	(£43,000) under budget on employees due to future planned MTFP savings	(46)	
	Corporate Fraud	£11,000 underachieved income	11	
TOTAL				(1,108)

- 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 £5.817 million.
- 14 Summary financial performance to the end of September 2024 is shown below:

	Original Annual Budget	Revised Annual Budget	Actual Spend	Budget Remaining
	2024/25	2024/25	30-Sep-24	2024/25
	£000	£000	£000	£000
Digital Services	6,903	4,566	1,651	2,915
Transactional & Customer Services	1,100	1,250	1,697	(447)
Human Resources and Employee Services	1	1	0	1
Total	8,004	5,817	3,348	2,469

- 15 The revised Resources capital budget is £5.817 million with a total expenditure to 30 September 2024 of £3.348 million (57.56%). A full breakdown of schemes and actual expenditure 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 variances.

Background papers

- [County Council Report \(28 February 2024\) - Medium Term Financial Plan 2024/25 to 2027/28 and Revenue and Capital Budget 2024/25](#)
- [Cabinet \(18 September 2024\) - Forecast of Revenue and Capital Outturn 2024/25 - Period to 30 June 2024 and Update on progress towards achieving MTFP \(14\) savings](#)
- [Cabinet \(4 December 2024\) - Forecast of Revenue and Capital Outturn 2024/25 - Period to 30 September 2024 and Update on Progress towards achieving MTFP \(14\) savings](#)

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 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 September 2024

	Revised Annual Budget	Actual Spend	Budget Remaining
	2024/25	30-Sep-24	2024/25
	£000	£000	£000
Applications and Development	234	0	234
Design and Print	34	10	24
Technical Services	2,880	1,294	1,586
Digital Durham	1,355	289	1,066
Digital Engagement	63	58	5
Digital Services	4,566	1,651	2,915
Civica Systems Procurement (Open Revenues/Civica Pay)	1,100	1,697	(597)
The Bread and Butter Thing Refrigerated Van	150	0	150
Transactional & Customer Services	1,250	1,697	(447)
Migration of HR/Payroll Functionality	1	0	1
Human Resources and Employee Services	1	0	1
Total	5,817	3,348	2,469