

Charter Trustees for the City of Durham

18 March 2014

Revenue Outturn for the period ending 31 January 2014 and Projected Outturn to 31 March 2014



City of Durham

Report of Jeff Garfoot, Treasurer

INTRODUCTION

- 1 The purpose of this report is to provide information on the:
 - actual expenditure compared to the profiled budget for the period ending 31 January 2014;
 - forecast of expenditure to 31 March 2014 in comparison to the 2013/14 original budget.

COMPARISON OF REVENUE OUTTURN WITH BUDGET

- 2 At 31 January 2014 actual net expenditure was £32,541; an underspend of £20,518 (or 38.67%) against a profiled budget of £53,059.
- 3 As a consequence of the decision to merge the roles of the Mayor of the City of Durham and Chairman of Durham County Council it is anticipated that actual expenditure at 31 March 2014 will be significantly lower than the original budget (by 39.75% or £44,652). There should no longer be a requirement to draw from reserves in order to balance the budget; instead a contribution to reserves of £33,376 is anticipated.
- 4 An analysis of the expenditure over subjective budget headings is set out in Appendix 2.
- 5 Explanations regarding the main variances between actual expenditure and projected outturn against the original budget are provided below:

PREMISES

- 6 Due to the sharing of the Mayor and Chairman roles and the relocation of the Mayor's personal assistant, the Council has agreed to reduce the annual charge for use of the Town Hall to £7,030 (from £11,796); the result is a saving of £4,766 or 40.4%.

TRANSPORT

- 7 Since the contract with Onguard chauffeuring services was terminated transport arrangements are being made through Durham County Council's chauffeuring service. It is anticipated that actual expenditure on transport will be £7,500 at the financial year end which is £8,771 (or 53.91%) lower than the original budget. At this stage the key reason for the variance is the reduced number of journeys due to the sharing of the Mayor and Chair roles.

SUPPLIES AND SERVICES

- 8 The total expenditure on supplies and services is £11,435 less than the profiled budget to date. The supplies and services outturn figure at 31 March 2014 is expected to be £12,337; an underspend of £15,476 (or 55.64%) in comparison to the budget. This is due to:
- a significant underspend on hospitality and general office expenses, mainly due to the recent changes, and
 - an anticipated reduction in external audit fees (in line with the actual costs for the 2012/13 audit work).

SUPPORT SERVICES

- 9 With effect from 1 August 2013, it was agreed that the Mayor's personal assistant would continue to support the Mayor for half of their time and the remaining time would be spent working for the Council's Democratic Services. Therefore the forecast of outturn for Administration services to the Charter Trust has been based upon 4 months full time (April to July) and 8 months half time salary costs (August to March). Consequently a saving of £10,026 (or 32.69%) will be achieved at 31 March 2014.

FORECAST OF OUTTURN

- 10 The latest forecast of expenditure to 31 March 2014 is £67,667, a significant underspend of £44,652 (or 39.75%) against the net expenditure budget of £112,319.

GENERAL RESERVE

- 11 The general reserve balance at 1 April 2013 was £35,355. With an underspend of £44,652 as projected, the amount available to contribute towards reserves would be £33,376. Consequently the reserve balance would increase to £68,731 as at 31 March 2014.

VAT

- 12 At the meeting held on 20 March 2013 it was agreed to provide Trustees with a summary of VAT paid and reclaimed. As at 31 January 2014 the total VAT paid was £4,223 and the amount reclaimed was £2,863. The additional VAT paid (currently £1,360) will be recovered following the next VAT return to be submitted at the end of March 2014.

RECOMMENDATIONS

- 13 It is **RECOMMENDED** that the City of Durham Charter Trustees:
- note the outturn position for the period ended 31 January 2014;
 - note the forecast outturn to 31 March 2014;

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RISKS AND IMPLICATIONS

Finance

The report provides information on the:

- actual expenditure compared to the profiled budget to 31 January 2014
- forecast of expenditure to 31 March 2014 in comparison to the 2013/14 original budget

Staffing

None

Equality and Diversity

None

Accommodation

None

Crime and Disorder

None

Human Rights

None

Consultation

None

Procurement

None

Disability Discrimination Act

None

Legal Implications

None

**ACTUAL OUTTURN COMPARED TO THE PROFILED BUDGET TO
31 JANUARY 2014 AND PROJECTED OUTTURN TO 31 MARCH 2014**

Annual Budget 2013/14	Budget Head	Year to date Budget	Year to date Actual	Projected Outturn	Variance (Projected Outturn v Budget)
£		£	£	£	£
	Employees				
3,500	Mayor's Allowance	0	0	0	-3,500
1,500	Deputy Mayor's Allowance	0	0	0	-1,500
574	NI contributions	0	0	0	-574
2,809	Sergeants at Mace/ Body Guard	2,809	2,750	2,750	-59
	Premises				
11,796	Town Hall	0	0	7,030	-4,766
	Transport				
16,271	Civic Car and bus hire	12,203	5,600	7,500	-8,771
	Supplies and Services				
24,135	Mayor's hospitality	18,101	7,049	9,400	-14,735
1,020	General office expenses	765	419	540	-480
2,034	Insurance	2,034	1,997	1,997	-37
624	External Audit	400	400	400	-224
	Support Services				
30,674	Administration	16,776	14,351	20,648	-10,026
6,885	Finance & procurement	0	0	6,885	0
9,639	Legal/ Clerk	0	0	9,639	0
459	HR	0	0	459	0
459	ICT	0	0	459	0
	Income				
-60	Investment income	-30	-25	-40	20
112,319	Net Expenditure	53,059	32,541	67,667	-44,652
-10,398	Council Tax Support Grant	-10,398	-10,398	-10,398	0
-11,276	Transfer from Reserves	0	0	33,376	44,652
90,645	Net budget	42,661	22,143	90,645	0