

Corporate Issues Overview and Scrutiny Committee

19 September 2014

Assistant Chief Executives – Quarter 1 2014: Forecast of Revenue and Capital Outturn 2014/15



Joint Report of Corporate Director Resources and Assistant Chief Executive

Purpose of the Report

1. To provide details of the forecast outturn budget position for the Assistant Chief Executive's (ACE) service grouping highlighting major variances in comparison with the budget based on the position to the end of June 2014.

Background

2. County Council approved the Revenue and Capital budgets for 2014/15 at its meeting on 26 February 2014. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following major accounts maintained by the ACE service grouping:
 - ACE Revenue Budget - £10.160m (original £10.200m)
 - ACE Capital Programme – £4.548m (original £3.472m)
3. The original ACE General Fund budget has been revised to incorporate a number of budget adjustments as follows:
 - Purchase of annual leave adjustment -£15k
 - Adjustment for staff not in pension fund -£20k
 - Reduction in car mileage budget -£5k

The revised General Fund Budget now stands at £10.160m.

4. The summary financial statements contained in the report cover the financial year 2014/15 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 ACE 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.

Revenue - General Fund Services

5. The service is reporting a cash limit underspend of **£0.050m** against a revised budget of **£10.160m**.
6. 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.

Subjective Analysis

£'000	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Employees	6,497	1,993	6,615	118	(71)	47
Premises	301	48	301	0	0	0
Transport	47	10	47	0	0	0
Supplies and Services	1,771	325	1,751	(20)	0	(20)
Agency and Contracted	0	0	0	0	0	0
Transfer Payments	1,878	368	1,878	0	0	0
Central Costs	1,971	25	1,971	0	0	0
GROSS EXPENDITURE	12,465	2,769	12,563	98	(71)	27
INCOME	(2,305)	(349)	(2,382)	(77)	0	(77)
NET EXPENDITURE	10,160	2,420	10,181	21	(71)	(50)

Analysis by Head of Service

Head of Service Grouping	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Partnership and Community Engagement	6,786	1,484	6,841	55	0	55
Planning and Performance	1,542	449	1,579	37	(38)	(1)
Policy and Communications	2,255	487	2,184	(71)	(33)	(104)
Central	(423)	0	(423)	0	0	0
NET EXPENDITURE	10,160	2,420	10,181	21	(71)	(50)

7. Attached in the table below is a brief commentary of the variances with the revised budget analysed into Head of Service groupings. The table identifies variances in the core budget only and excludes items outside of the cash limit (e.g. central repairs and maintenance) and technical accounting adjustments (e.g. capital charges):

Head of Service	Service Area	Description	Forecast Year End (Under) / Over Budget
Partnership and Community Engagement (PACE)	Area Action Partnerships, Community Buildings, PACE	£61k managed over budget on employees (fully staffed). £5k over budget on car allowances. £11k over recovery of income.	55
Planning and Performance	Planning, Performance, Overview and Scrutiny, County Records	£31k managed over budget on employees £21k managed under budget on supplies and services. £11k over recovery of income	(1)
Policy and Communications	Policy, Communications, Public Relations, CCU and Programme Office	£66k under budget on employees £11k under budget on supplies. £27k additional income generated through advertising and commercial bodies.	(104)
Central	Central Costs	No variances	0
TOTAL			(50)

8. In summary, the service grouping is on track to maintain spending within its cash limit. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2014/15 which amount to £0.410m.

Members Neighbourhoods Revenue Budget

9. Each elected member receives an annual allocation of £20k; £6k revenue and £14k capital. The revenue budget allocation for the current year is £0.756m. Previous years unspent allocations totalling £0.979m are held in an earmarked reserve. At present £0.498m of the total budget allocation of £1.735m has been either spent or committed and it is expected that the remaining budget will be allocated during the 2014/15 financial year.
10. The members Initiative Fund Element of this budget equates to £252k based on £2k per elected member. At this stage of the year it is expected that this will be fully expended.

AAP Area Budgets

11. Each of the 14 Area Action Partnerships (AAP) has an annual allocation of £120k; £96k revenue and £24k capital. The revenue budget allocation for the current year is £1.344m to develop projects to meet the agreed AAP priorities. Previous years unspent allocations totalling £1.095m are held in an earmarked reserve. At this stage in the year a total of £1.122m has either been committed or spent and it is expected that the remaining £1.317m will be committed later in the year. The AAPs were also in receipt of additional funding during 2013/14 which was transferred to the AAP reserve. The reserve will be drawn on as required during the year with any balance retained for future years. The balances held at 1 April 2014 are as follows:

- £0.150m from Public Health (£10k per AAP plus £10k)
- £0.300m from the Clinical Commissioning Group (CCG)

- £0.140m from the Welfare Assistance Fund
- £0.550m Community Health Champions

Capital Programme

- The ACE capital programme comprises four schemes, Assets in the Community, Area Action Partnerships Capital, Members Neighbourhoods Capital and Community Facilities in Crook.
- The Assistant Chief Executive capital programme was revised at Outturn for budget rephased from 2013/14. This increased the 2014/15 budget to £3.472m. Further reports to the MOWG in 2014/15 detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised budget now stands at **£4.548m**.
- Summary financial performance to the end of June is shown below.

Service	Original Annual Budget 2014/15 £000	Revised Annual Budget 2014/15 £000	Actual Spend to 30 June £000	Remaining Budget £000
Assets in the Community	871	922	16	906
Area Action Partnership	336	339	0	339
Members Neighbourhoods	1,764	2,774	233	2,541
Community Facilities Crook	501	513	0	513
Total	3,472	4,548	249	4,299

- Officers continue to carefully monitor capital expenditure on a monthly basis. £249k of actual expenditure has been incurred to date (5% of the annual capital budget for the year).
- At year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

Recommendations:

- The Corporate Issues Overview and Scrutiny Committee is requested to note the contents of this report.

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Appendix 1: Implications

Finance

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital projected outturn position.

Staffing

None.

Risk

None.

Equality and Diversity / Public Sector Equality Duty

None.

Accommodation

None.

Crime and disorder

None.

Human rights

None.

Consultation

None.

Procurement

None.

Disability Issues

None.

Legal Implications

None