

# Corporate Issues Overview and Scrutiny Committee

28 September 2015



## Assistant Chief Executive – Quarter 1 June 2015: Forecast of Revenue and Capital Outturn 2015/16

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### Joint Report of Corporate Director Resources and Assistant Chief Executive

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#### 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 2015.

#### Background

2. County Council approved the Revenue and Capital budgets for 2015/16 at its meeting on 25 February 2015. 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 - £10.162m (original £10.163m)
  - ACE Capital Programme – £5.676m (original £3.776m)
3. The original ACE General Fund budget has been revised to incorporate the following budget adjustment:
  - Energy Reduction -£1k

The revised General Fund Budget now stands at £10.162m.

4. The summary financial statements contained in the report cover the financial year 2015/16 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 **£0.152m** against a revised budget of **£10.162m**.
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	6,628	1,952	6,667	39	(35)	4
Premises	232	36	232	0	0	0
Transport	44	7	46	2	(4)	(2)
Supplies and Services	1,629	303	1,548	(81)	(10)	(91)
Agency and Contracted	0	0	0	0	0	0
Transfer Payments	1,900	534	2,243	343	(342)	1
Central Costs	2,239	30	2,239	0	0	0
<b>GROSS EXPENDITURE</b>	<b>12,672</b>	<b>2,862</b>	<b>12,975</b>	<b>303</b>	<b>(391)</b>	<b>(88)</b>
<b>INCOME</b>	<b>(2,510)</b>	<b>(1,812)</b>	<b>(3,697)</b>	<b>(1,187)</b>	<b>1,123</b>	<b>(64)</b>
<b>NET EXPENDITURE</b>	<b>10,162</b>	<b>1,050</b>	<b>9,278</b>	<b>(884)</b>	<b>732</b>	<b>(152)</b>

### Analysis by Head of Service (£'000)

Head of Service Grouping	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Partnership and Community Engagement	6,865	1,061	6,955	90	(97)	(7)
Planning and Performance	1,496	409	1,510	14	(8)	6
Policy and Communications	2,377	(420)	1,389	(988)	837	(151)
Central	(576)	0	(576)	0	0	0
<b>NET EXPENDITURE</b>	<b>10,162</b>	<b>1,050</b>	<b>9,278</b>	<b>(884)</b>	<b>732</b>	<b>(152)</b>

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	(Under) / overbudget £'000s
Partnership and Community Engagement (PACE)	Area Action Partnerships, Community Buildings, PACE	£15k managed over budget on employees. £22k managed under budget on a range of supplies and services.	(7)
Planning and Performance	Planning, Performance, Overview and Scrutiny, County Records	£8k managed over budget on employees. £2k managed under budget on supplies and services.	6
Policy and Communications	Policy, Communications Public relations, CCU and Programme Office	£81k managed under budget on employees. £70k under budget on a range of supplies and services.	(151)
Central	Central Costs	No material variances.	0
<b>TOTAL</b>			<b>(152)</b>

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 2015/16 which amount to £0.278m.

### 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 £1.159m are held in an earmarked reserve. At present £0.577m of the total budget allocation of £1.915m has been either spent or committed.
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 £2.417m are held in an earmarked reserve. At this stage in the year a total of £1.499m has either been committed or spent.

## Capital Programme

12. The ACE capital programme comprises four main schemes, Assets in the Community, Area Action Partnerships Capital, Members Neighbourhoods Capital and Community Facilities in Crook.
13. The Assistant Chief Executive capital programme was revised at Outturn for budget rephased from 2014/15. This increased the 2015/16 budget to £3.776m. Further reports to the MOWG in 2015/16 detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised budget now stands at **£5.676m**.
14. Summary financial performance to the end of June is shown below.

Service	Original Annual Budget 2015/16 £000	Revised Annual Budget 2015/16 £000	Actual Spend to 30 June £000	Remaining Budget £000
Assets in the Community	1,163	1,429	83	1,346
Area Action Partnership	336	454	48	406
Members Neighbourhoods	1,764	3,280	218	3,062
Community Facilities Crook	513	513	0	513
<b>Total</b>	<b>3,776</b>	<b>5,676</b>	<b>349</b>	<b>5,327</b>

15. Officers continue to carefully monitor capital expenditure on a monthly basis. £349k of actual expenditure has been incurred to date. This is 6% of the total estimated spend in the year.
16. 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:

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

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**Contact: Azhar Rafiq, Finance Manager, Finance Manager - ACE/RED/RES**  
**Tel: 03000 263 480 E-mail: azhar.rafiq@durham.gov.uk**

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## **Appendix 1: Implications**

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### **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