

# Corporate Issues Overview and Scrutiny Committee

20 April 2016

## Assistant Chief Executives – Quarter 3 December 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 December 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 - £9.522million (original £10.163 million)
- ACE Capital Programme – £5.354million (original £3.776 million)

3. The original ACE General Fund budget has been revised to incorporate a number of budget adjustments as follows:

- Energy Reduction -£1,000
- Car Mileage outside cash limit +£4,000
- Creation of Transformation Challenge Reserve -£1.123 million
- Use of AAP Reserve +£342,000
- Use of Modern Ways of Working Reserve +£35,000
- Use of Customer Focus Reserve +£2,000
- Use of Disabled Go Reserve +£8,000
- To Transformation Challenge Reserve -£22,000
- To Flood Coordinator Reserve -£88,000
- Use of Modern Ways of Working Reserve +£11,000
- Use of AAP Reserve +£147,000
- Use of Community Reserve +£15,000
- Budget Transfer Performance +29,000

The revised General Fund Budget now stands at £9.522 million.

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 under budget of **£222,000** against a revised budget of **£9.522 million**. This compares to an under budget of £237,000 reported at Quarter 2.
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 (£'000s)

£'000	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
<b>Employees</b>	6,639	5,050	6,631	-8	0	<b>-8</b>
<b>Premises</b>	247	108	260	13	0	<b>13</b>
<b>Transport</b>	48	32	46	-2	0	<b>-2</b>
<b>Supplies and Services</b>	1,656	969	1,755	99	-230	<b>-131</b>
<b>Agency and Contracted</b>	0	0	0	0	0	<b>0</b>
<b>Transfer Payments</b>	2,380	1,615	2,345	-35	35	<b>0</b>
<b>Central Costs</b>	2,239	86	2,239	0	0	<b>0</b>
<b>GROSS EXPENDITURE</b>	<b>13,209</b>	<b>7,860</b>	<b>13,276</b>	<b>67</b>	<b>-195</b>	<b>-128</b>
<b>INCOME</b>	<b>-3,687</b>	<b>-2,137</b>	<b>-3,768</b>	<b>-81</b>	<b>-13</b>	<b>-94</b>
<b>NET EXPENDITURE</b>	<b>9,522</b>	<b>5,723</b>	<b>9,508</b>	<b>-14</b>	<b>-208</b>	<b>-222</b>

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

Head of Service Grouping	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Partnership and Community Engagement	7,099	3,974	7,338	239	-268	-29
Planning and Performance	1,535	1,115	1,506	-29	0	-29
Policy and Communications	1,464	634	1,240	-224	60	-164
Central	-576	0	-576	0	0	0
<b>NET EXPENDITURE</b>	<b>9,522</b>	<b>5,723</b>	<b>9,508</b>	<b>-14</b>	<b>-208</b>	<b>-222</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	£4,000 managed under budget on employees. £25,000 managed under budget on a range of supplies and services.	(29)
Planning and Performance	Planning, Performance, Overview and Scrutiny, County Records	£16,000 managed under budget on employees. £10,000 managed under budget on supplies and services. £3,000 over recovery of income.	(29)
Policy and Communications	Policy, Communications Public relations, CCU and Programme Office	£82,000 managed under budget on employees. £79,000 under budget on a range of supplies and services. £3,000 over recovery of income.	(164)
Central	Central Costs	No material variances.	0
<b>TOTAL</b>			<b>(222)</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 £278,000.

## Members Neighbourhoods Revenue Budget

9. Each elected member receives an annual allocation of £20,000; £6,000 revenue and £14,000 capital. The revenue budget allocation for the current year is £0.756 million. Previous years unspent allocations totalling £1.159 million are held in an earmarked reserve. At present £0.840 million of the total budget allocation of £1.915 million has been either spent or committed.
10. The members Initiative Fund Element of this budget equates to £252,000 based on £2,000 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 £120,000; £96,000 revenue and £24,000 capital. The revenue budget allocation for the current year is £1.344 million to develop projects to meet the agreed AAP priorities. Previous years unspent allocations totalling £2.417 million are held in an earmarked reserve. At this stage in the year a total of £2.358 million 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 £3.776 million. 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 **£3.991 million**.
14. Summary financial performance to the end of December is shown below.

Service	Original Annual Budget 2015/16 £000	Revised Annual Budget 2015/16 £000	Actual Spend to 31 December £000	Remaining Budget £000
Assets in the Community	1,163	777	315	462
Area Action Partnership	336	409	180	229
Members Neighbourhoods	1,764	2,805	591	2,214
Community Facilities Crook	513	0	4	(4)
<b>Total</b>	<b>3,776</b>	<b>3,991</b>	<b>1,090</b>	<b>2,901</b>

15. Officers continue to carefully monitor capital expenditure on a monthly basis. £1.090 million of actual expenditure has been incurred to date. This is 27% 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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## **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.