

Corporate Overview and Scrutiny Management Board

15 September 2017



Transformation and Partnerships – Revenue and Capital Outturn 2016/17

Joint Report of John Hewitt, Corporate Director Resources and Lorraine O'Donnell, Director of Transformation and Partnerships

Purpose of the Report

- 1 To provide details of the outturn budget position for the Transformation and Partnerships (TAP) service grouping highlighting major variances in comparison with the budget based on the outturn position at the end of March 2017.

Background

- 2 County Council approved the Revenue and Capital budgets for 2016/17 at its meeting on 24 February 2016. 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 TAP service grouping:

- (a) *TAP Revenue Budget - £10.660 million (original £9.447 million)*
- (b) *TAP Capital Programme – £4.041 million (original £5.621 million)*

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

- (a) Budget increase for the pay award +£60,000
- (b) Transport adjustment -£5,000
- (c) To Modern Ways of Working Reserve -£38,000
- (d) To Flood Coordinator Reserve -£70,000
- (e) Use of Residents Research Reserve +£10,000
- (f) Use of Disabled Go Reserve +£8,000
- (g) Use of Customer Focus Reserve +£50,000
- (h) Use of Community Reserve +£85,000
- (i) Use of Community Led Development Reserve +£15,000
- (j) Use of Transformation Challenge Reserve +£248,000
- (k) Use of Inspire Reserve (Resources) +£95,000
- (l) Use of AAP Reserve - Public Health +£75,000
- (m) Use of AAP Reserve (Welfare Assistance) +£40,000
- (n) Use of AAP Reserve (CCG) +£170,000
- (o) Use of AAP Reserve (Health Champions) +£134,000
- (p) Use of Corporate Procurement Reserve +£220,000

(q) Use of MTFP Redundancy Reserve +£116,000

- 4 The revised General Fund Budget now stands at £10.660 million.
- 5 The summary financial statements contained in the report cover the financial year 2016/17 and show:
- (a) The approved annual budget;
 - (b) The actual income and expenditure as recorded in the Council's financial management system;
 - (c) The variance between the annual budget and the outturn;
 - (d) For the TAP 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

- 6 The Service is reporting a cash limit underspend of **£105,000** against a revised budget of **£10.660 million**. The forecast outturn position at Quarter 3 was a cash limit underspend of £87,000. This represents an increase of £18,000 over that reported at Quarter 3.
- 7 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's)

	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Employees	7,013	7,213	200	(139)	61
Premises	273	378	105	(107)	(2)
Transport	50	39	(11)	8	(3)
Supplies and Services	1,937	1,906	(31)	163	132
Agency and Contracted	78	69	(9)	9	0
Transfer Payments	2,336	2,467	131	(149)	(18)
Central Costs	2,485	5,231	2,746	(2,743)	3
GROSS EXPENDITURE	14,172	17,303	3,131	(2,958)	173
INCOME	(3,512)	(3,983)	(471)	193	(278)
NET EXPENDITURE	10,660	13,320	2,660	(2,765)	(105)

Analysis by Head of Service (£000's)

	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Partnership and Community Engagement	7,599	10,337	2,738	(2,826)	(88)
Planning and Performance	1,514	1,671	157	(146)	11
Policy and Communications	2,744	248	(2,496)	2,468	(28)
Central	(1,197)	1,064	2,261	(2,261)	0
NET EXPENDITURE	10,660	13,320	2,660	(2,765)	(105)

- 8 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	£53,000 managed under budget on supplies and services and £23,000 overachieved income.	(88)
Planning and Performance	Planning, Performance, Overview and Scrutiny, County Records	£11,000 managed over budget the majority of which is employee related.	11
Policy and Communications	Policy, Communications Public relations, CCU and Programme Office	£28,000 under budget, predominantly resulting from a managed under budget on supplies and services across the service.	(28)
Central	Central Costs	No variances.	0
TOTAL			(105)

- 9 The under budget of £105,000 will be carried forward under the "cash limit" regime and will be available to support the TAP service grouping priorities over the medium term. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2016/17 which amount to £0.832 million.

Members Neighbourhoods Revenue Budget

- 10 During 2016/17 each elected member received an annual allocation of £20,000; £6,000 revenue and £14,000 capital. The revenue budget allocation for 2016/17 was £0.756 million. Previous years unspent allocations totalling £1.287 million are held in an earmarked reserve. During 2016/17 £0.922 million was spent and £0.074 million transferred to capital resulting in £0.240 million being transferred from the reserve leaving a closing balance on the reserve of £1.047 million.
- 11 The Members Initiative Fund element of this budget equates to £252,000 based on £2,000 per elected member. The 2016/17 outturn expenditure amounted to £354,000 with the balance of £102,000 being drawn down from the Members Initiative Fund reserve resulting in a closing balance on the reserve of £4,246.

AAP Area Budgets

- 12 Each of the 14 Area Action Partnerships (AAP) has an annual allocation of £100,000; £76,000 revenue and £24,000 capital. The revenue budget allocation for the current year is £1.064 million. Combined with revenue budgets carried forward from previous years of £1.997 million and £0.426 million from Welfare Assistance and Wellbeing and Commissioning the total revenue budget available is £3.487 million to develop agreed AAP priorities. Actual spend of £2.133 million was incurred during 2016/17 and £0.075 million and £0.075 million was transferred to capital leaving a balance on the reserve £1.279 million.

Capital Programme

- 13 The TAP capital programme comprises five main schemes, Assets in the Community, Area Action Partnerships Capital, AAP Initiatives, Members Neighbourhoods Capital and Community Facilities in Crook.
- 14 The Transformation and Partnerships capital programme was revised at Outturn for budget rephased from 2015/16. This increased the 2016/17 budget to £5.621 million. Further reports to the MOWG in 2016/17 detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised 2016/17 capital budget stood at **£4.041 million**.
- 15 Summary financial performance to the end of March 2017 shown below.

Service	Original Annual Budget 2016/17 £000	Revised Annual Budget 2016/17 £000	Actual Spend to 31 March 2017 £000	Spend % £000
Assets in the Community	1,151	252	295	117
Area Action Partnership	434	438	426	97
AAP Initiatives	-	116	144	124
Members Neighbourhoods	3,529	2,728	1,469	54
Community Facilities Crook	507	507	163	32
Total	5,621	4,041	2,497	62

- 16 £2.497 million of capital expenditure has been incurred during 2016/17. This is 62% of the revised capital budget. The remainder of capital budget will be reprofiled to 2017/18.

Recommendations:

- 17 The Corporate Overview and Scrutiny Management Board 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 outturn.

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.