

Projected Outturn 2012/13

18 March 2013

1 Purpose of report

The purpose of this report is to summarise the projected revenue outturn position to 31st March, 2013. This report is based on expenditure as at period 10, 31st January, and has been prepared in consultation with the Assessor.

2 Projected Revenue Outturn

2.1 The table below compares the projected revenue outturn with the budgeted expenditure and income for the year ended 31st March, 2013.

	Annual Budget £000	Projected Outturn £000	Variance £000	Variance %
Expenditure				
Employee	4,573	4,449	(124)	(2.7)
Property	619	606	(13)	(2.1)
Supplies and Services	687	705	18	2.6
Transport	113	104	(9)	(8.0)
Third Party Payments	94	109	15	16.0
Support Services	78	78	-	-
	<u>6,164</u>	<u>6,051</u>	<u>(113)</u>	<u>(1.8)</u>
Income				
Sales, Fees and Charges	(43)	(43)	-	-
Interest Receivable	(3)	(3)	-	-
	<u>(46)</u>	<u>(46)</u>	<u>-</u>	<u>-</u>
Total Income				
	<u>(46)</u>	<u>(46)</u>	<u>-</u>	<u>-</u>
Net Expenditure	<u>6,118</u>	<u>6,005</u>	<u>(113)</u>	<u>(1.8)</u>

2.2 At this stage, the projected outturn indicates a potential net expenditure of £6,005,000 which results in a net underspend of £113,000. The principal reasons for the variance are as follows:

(a) **Employee Cost underspend £124,000**

This is due to the ongoing control over staff vacancies, partially offset by additional costs in respect of a requirement to ensure that every household that does not return an electoral canvass form during the 2012 electoral registration canvass, receive a door to door visit. Final costs for this activity are unknown at this stage, however it is anticipated that this cost will be contained within the total employee budget provision.

- (b) **Property underspend £13,000**
This is mainly due to a projected underspend on grounds maintenance and lower than expected utility charges.
 - (c) **Supplies and Services overspend £18,000**
This is mainly due to a network hardware refresh that was budgeted to take place in 2011/12 but will now be completed in 2012/13. This has been partially offset by a projected underspend on postages.
 - (d) **Transport underspend £9,000**
The continuing review of work practices, together with reduced construction activity has resulted in a lower than anticipated external survey requirement and associated transport costs.
 - (e) **Third Party Payments overspend £15,000**
This is a result of a higher than anticipated activity of the Valuation Appeals Committee. This is due to outstanding appeals lodged in respect of material change of circumstances, and the increasing complexity both in valuation and legal terms that these appeals present. This additional cost is projected to be contained within the overall budget provision.
- 2.3 Voluntary Early Release and Redundancy Schemes have been approved by the Board at its meeting on 4th February 2011. The Board also approved at its meeting on the 29th November 2010, a recommendation that the Assessor, in consultation with the Board's Convener and Treasurer, be authorised to approve costs arising from the acceptance of voluntary early release requests. It was also the decision of the Board that the Assessor seek approval from the Board before instigating the procedure for compulsory redundancies as indicated in the Redundancy Policy. Any applications under these schemes will be evaluated on affordability and impact on service delivery.
- 2.4 In terms of Section 58 of the Local Government (Scotland) Act 1973, the Board has no specific power to retain reserves, however, unspent funding contributions from constituent councils can be carried forward as creditors to meet future funding commitments. In order to facilitate the introduction of early release measures, the Board, at its meeting in November 2010, approved a recommendation that the 2010/11 underspend, subject to consultation between the Assessor, Convener and Treasurer, be used to meet costs arising from early release measures. Accordingly, £228,000 was set aside to meet potential future liabilities.
- 2.5 Similarly, at its meeting on 3rd February, 2012, the Board agreed that the underspend for 2011/12 also be used to meet costs arising from early release measures, this resulted in a further £42,000 being set aside. Total funding contributions carried forward therefore amounts to £270,000.
- 2.6 The position at the year end will be reviewed when the 2012/13 final accounts are presented to the Board.

3 Conclusions

- 3.1 Based on expenditure trends for the ten months to 31st January, there is a projected net revenue underspend of £113,000 mainly as a result of staff vacancy control.
- 3.2 The Board has no power to establish a general reserve; however unspent funding contributions of £270,000 have been carried forward as a creditor to meet liabilities arising through the Board's early release measures.

4 Recommendations

The Board is recommended to note the Report.

Hugh Dunn
Treasurer

Appendices	None
Contact/Tel:	Mr. I. Knowles: 0131 469 3173
Background Papers	Held at the Office of Treasurer