

Projected Outturn 2013/14

17th March 2014


1 Purpose of report

This report summarises the projected revenue budget outturn position to 31st March 2014. The report is based on period 10 expenditure at 31st January 2014 and has been prepared in consultation with the Assessor.

2 Main Report

Projected Revenue Outturn

2.1 The table below compares projected revenue outturn 2013/14 with the budget. The projected outturn of £6.009m has increased by £0.004m from the forecast reported to the Board in November 2013.

	Full-year forecast to 31.03.14		
	Budget	Projected	Variance
	£'000	Outturn £'000	£'000
Expenditure			
Employee costs	4,539	4,370	(169)
Premises costs	625	614	(11)
Transport costs	113	99	(14)
Supplies & Services	712	784	72
Third Party Payments	95	109	14
Support Services	80	70	(10)
Gross Expenditure	6,164	6,046	(118)
Income			
Sales, Fees & Charges	(43)	(35)	8
Interest	(3)	(2)	1
Total income	(46)	(37)	9
Net Expenditure	6,118	6,009	(109)

Forecasts to 31st March 2014

2.2 At this stage, the projected outturn indicates a forecast of £6.009m which would result in a net under spend of £0.109m. The principal reasons for the variance are as follows:

(a) **Employee cost - under spend £0.169m**

This is due to the ongoing review of vacant posts, staff turnover factor, the saving associated with two staff leaving through early release and a reduction in the forecast cost of canvas staff. The one-off costs associated with early release have been off-set against the balance held to fund such costs. The final outturn of canvas costs could yet differ to those included in this report, however it is currently anticipated that any increase would be contained within the revenue budget.

(b) **Premises costs - under spend £0.011m**

This is mainly due to a projected under spend on grounds maintenance.

- (c) **Transport costs - under spend £0.014m**
This is a result of an ongoing review of practices associated with external survey work, and reflects the general decline in construction activity.
- (d) **Supplies and Services – over spend £0.072m**
This is mainly due to an increase in postage costs which have risen due to an increase in AVPI refresh forms and additional reminders being sent to maximise the canvass return rate. These will help not only in terms of the completeness and accuracy of the electoral register but also as we progress in to IER.
- (e) **Third Party Payments - over spend £0.014m**
This is a result of a higher than anticipated activity of the Valuation Appeals Committee. This is due to outstanding appeals lodged in respect the 2010 Revaluation and subsequent material change of circumstances appeals, and the increasing complexity both in valuation and legal terms that these appeals present.

- 2.3 Voluntary Early Release (VERA) and Redundancy Schemes were approved by the Board at its meeting on 4th February 2011.
- 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 costs associated with early release measures. The Board approved the retention of the under spends for the three-year period 2010-2013 totalling £0.397m. A drawdown of £0.093m has been made during 2013/14, leaving a balance of £0.304m.

3 Conclusions

- 3.1 At this stage, there is a projected net under spend of £0.109m relating to Financial Year 2013/14.
- 3.2 The Board has no power to establish a general reserve; however a creditor has been set-aside to cover the cost of staffing early release measures. The balance available to the Board at 31st January 2014 is £0.304m.

4 Recommendations

- 4.1 The Board is recommended to note the projected outturn position for 2013/14.

**Hugh Dunn,
Treasurer.**

Appendices:	None
Contact/Tel:	Mr. T.MacDonald: 0131 469 3078
Background Papers:	Held at the Office of Treasurer