

Period 7 Financial Statement 2015/16

16th November 2015

1 Purpose of report

This report summarises the projected revenue budget outturn position to 31st March 2016, based on the position at period ending 31st October 2015. The report has been prepared in consultation with the Assessor.

2 Main Report

Projected Revenue Outturn 2015/16

2.1 The table below compares projected revenue outturn 2015/16 with the budget. The forecast variance, based on the position at 31st October, is an under spend of £0.095m. The forecast expenditure has reduced by £0.033m from that reported to the Board in September 2015. The reduction is primarily due to a review of the utilities forecast, the possibility of which was reported in September.

2.2 The table below details forecasts against the Core Budget and Individual Electoral Registration (IER) income/expenditure that is subject to specific grant funding.

	Core Budget			IER Budget			Total		
	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000
Expenditure									
Employee costs	4,566	4,498	(68)	128	224	96	4,694	4,722	28
Premises costs	624	576	(48)	0	0	0	624	576	(48)
Transport costs	103	102	(1)	5	0	(5)	108	102	(6)
Supplies & Services	711	734	23	191	233	42	902	967	65
Third Party Payments	95	94	(1)	0	100	100	95	194	99
Support Services	65	65	0	0	0	0	65	65	0
Gross Expenditure	6,164	6,069	(95)	324	557	233	6,488	6,626	138
Income									
Sales, Fees & Charges	(43)	(43)	0	0	0	0	(43)	(43)	0
IER Grant	0	0	0	(324)	(557)	(233)	(324)	(557)	(233)
Interest	(3)	(3)	0	0	0	0	(3)	(3)	0
Total income	(46)	(46)	0	(324)	(557)	(233)	(370)	(603)	(233)
Net Expenditure	6,118	6,023	(95)	0	0	0	6,118	6,023	(95)

Forecasts to 31st March 2016

2.3 At this stage, the projected outturn against the core budget of £6.118m indicates a forecast spend of £6.023m which would result in a net under spend of £0.095m. The principal reasons for the variance are as follows:

(a) Employee cost - under spend £0.068m

This is principally due to an ongoing policy of review and control of vacant posts. In light of 2016/17 budget pressures, staff within the Board were approached under terms of the Board's Voluntary Early Release Arrangements (VERA) policy.

Three business cases are currently being progressed with the current assumption being that these will be accepted and approved. The associated one-off costs would be met through previous years' unspent requisition. Further detail is provided in paragraph 2.6.

(b) **Premises costs - under spend £0.048m**

Primarily due to a reduction in the electricity forecast. This follows de-energising of two meters.

(c) **Supplies and Services – over spend £0.023m**

Primarily due to higher telephone charges resulting from increased usage during election periods, the impact of the introduction of IER, and the use of mobile technology for electoral canvass.

Individual Electoral Registration (IER) – funding available 2015/16; £0.557m

2.4 The table below details the one-off funding available for IER. The current forecast assumes that IER grant will either be fully spent during 2015/16 or any balance carried forward to 2016/17. Further details of IER cost pressures 2016/17 are included in the *Revenue Budget 2016/17 Report* which is presented separately on this agenda.

Income	£'000
IER core grant funding 2015/16	324
IER additional funding 2015/16	19
IER grant funding carried from 2014/15	214
Total	557

Unspent requisition balance

2.5 Voluntary Early Release (VERA) and Redundancy Schemes were approved by the Board at its meeting on 4th February 2011. The Board has previously approved the retention of unspent funding contributions from constituent councils to meet future costs associated with early release measures, and, subject to further Board approval, any future unforeseen costs. The balance available to the Board was £0.596m at 31st March 2015. Three VERA business cases are currently being progressed.

Forecast requisition balance

2.6 The table below outlines the estimated balance at 31st March 2017 based on the 2015/16 under spend included in this report and the 2016/17 draft budget shortfall reported separately on this agenda. Any change to the outturn 2015/16 and budget 2016/17 would adjust the estimated closing reserve 2017.

Reserve	£'000
Balance March 2015	£596
VERA x 3 – one-off exit costs 2015/16	(£100)
2015/16 requisition under spend (based on this report)	£95
Draft budget shortfall 2016/17 (final budget in Feb 16)	(£364)
Estimated closing reserve 31.03.17	£227

3 Conclusions

3.1 At this stage, there is a projected net under spend of £0.095m against the core revenue budget relating to Financial Year 2015/16.

3.2 The Board has no current power to establish a general reserve, but has previously approved a creditor balance be set-aside to cover the cost of staffing early release measures. The balance available to the Board at 31st March 2015 is £0.596m.

4 Recommendations

- 4.1 The Board is recommended to note the projected outturn position for 2015/16.

**Hugh Dunn,
Treasurer.**