

Period 11 Financial Statement 2015/16

11th April 2016

1 Purpose of report

This report summarises the projected revenue budget outturn position to 31st March 2016, based on the position at period ending 29th February 2016. 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 is an under spend of £0.084m.

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	4,576	10	128	228	100	4,694	4,804	110
Premises costs	624	556	(68)	0	0	0	624	556	(68)
Transport costs	103	98	(5)	5	0	(5)	108	98	(10)
Supplies & Services	711	742	31	191	200	9	902	942	40
Third Party Payments	95	84	(11)	0	135	135	95	219	124
Support Services	65	65	0	0	0	0	65	65	0
Gross Expenditure	6,164	6,121	(43)	324	563	239	6,488	6,684	196
Income									
Sales, Fees & Charges	(43)	(84)	(41)	0	0	0	(43)	(84)	(41)
IER Grant	0	0	0	(324)	(563)	(239)	(324)	(563)	(239)
Interest	(3)	(3)	0	0	0	0	(3)	(3)	0
Total income	(46)	(87)	(41)	(324)	(563)	(239)	(370)	(650)	(280)
Net Expenditure	6,118	6,034	(84)	0	0	0	6,118	6,034	(84)

2.3 The forecast of £6.034m above represents an increase of £0.011m to the forecast of £6.023m reported to the Board in November 2015. The Board should note that one off staffing exit costs of £0.102m are now contained within the existing budget forecasts due to the Board now being permitted to operate with a general reserve. These additional costs within the budget have mainly been managed by reducing forecasts in staffing (£0.024m), premises maintenance (£0.020m) and the receipt of £0.039m from the Scottish Government in respect of additional expenditure incurred in connection with the collection and processing of young persons' data ahead of the new franchise entitlement for Scottish Parliamentary and Local Government elections.

Forecasts to 31st March 2016

2.4 The projected outturn of £6.034m against the core budget of £6.118m would result in a net under spend of £0.084m. The principal reasons for the under spend are as follows:

(a) **Employee cost - over spend £0.010m**

This is principally due to the ongoing policy of review and control of vacant posts, off-set by one-off costs associated with early release.

(b) **Premises costs - under spend £0.068m**

Primarily due to a reduction in the electricity forecast and expenditure on general maintenance. The electricity reduction follows de-energising of two meters.

(c) **Supplies and Services – over spend £0.031m**

Primarily due to higher telephone charges resulting from increased usage during election periods and the use of mobile technology for electoral canvass. There's also been other minor increases in general supplies spend.

(d) **Income – over recovery £0.041m**

Mainly the recovery of costs incurred in connection with the collection and processing of young persons' data ahead of the new franchise entitlement for Scottish Parliamentary and Local Government elections. The costs are spread over a number of budget headings.

Individual Electoral Registration (IER) – funding available 2015/16; £0.563m

2.5 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. The Cabinet Office are yet to confirm the level of funding that shall be made available for 2016/17.

Income	£'000
IER core grant funding 2015/16	324
IER additional funding 2015/16	25
IER grant funding carried from 2014/15	214
Total	563

2.6 Forecast preparation

The forecasts have been prepared based on cost/service information known at the end of February 2016. There are a number of factors that may yet impact on the Board's final outturn for 2015/16; these include:

- Registration and absent vote activity ahead of the Scottish Parliamentary election on 5th May 2016 may result in additional expenditure up until the year-end.
- IER justification led bid for an additional £0.139m from the Cabinet Office. Confirmation of a successful bid is outstanding. If the Board is successful and grant is paid by the year-end it will be carried forward in to 2016/17 to meet specific IER costs.

General fund balance

- 2.7 The table below outlines the forecast general fund balance at 31st March 2017 based on the 2015/16 under spend included in this report and the 2016/17 budget shortfall reported to the Board in February. Any subsequent change to the outturn 2015/16 and the actual shortfall 2016/17 would adjust the estimated closing reserve.

Reserve	£'000
Balance March 2015	£596
2015/16 budget under spend estimate (per this report)	£84
Budgeted shortfall 2016/17	(£364)
Estimated closing reserve 31.03.17	£316

3 Conclusions

- 3.1 At this stage, there is a projected net under spend of £0.084m against the core revenue budget relating to financial year 2015/16.
- 3.2 At 31st March 2015 the Board had an unallocated general reserve of £0.596m.

4 Recommendations

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

**Hugh Dunn,
Treasurer.**