

Period 9 Financial Statement 2016/17

6th February 2017

1 Purpose of report

This report summarises the projected revenue budget outturn position to 31st March 2017, based on the position at period ending 31st December 2016. The report has been prepared in consultation with the Assessor.

2 Main Report

Projected Revenue Outturn 2016/17

2.1 The table below compares projected revenue outturn 2016/17 with the budget. The forecast variance, based on the position at 31st December, is an under spend of £0.154m, with no requirement for a draw-down from reserves.

| | Core Budget | | | IER Budget | | | EU Referendum | | | Total | | |
|--------------------------|-----------------|-------------------|-------------------|-----------------|-------------------|-------------------|-----------------|-------------------|-------------------|-----------------|-------------------|-------------------|
| | Budget £'000 | Forecast £'000 | Variance £'000 | Budget £'000 | Forecast £'000 | Variance £'000 | Budget £'000 | Forecast £'000 | Variance £'000 | Budget £'000 | Forecast £'000 | Variance £'000 |
| Expenditure | | | | | | | | | | | | |
| Employee costs | 4,499 | 4,413 | (86) | 254 | 238 | (16) | 0 | 19 | 19 | 4,753 | 4,670 | (83) |
| Premises costs | 605 | 605 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 605 | 605 | 0 |
| Transport costs | 101 | 96 | (5) | 13 | 13 | 0 | 0 | 0 | 0 | 114 | 109 | (5) |
| Supplies & Services | 797 | 795 | (2) | 138 | 217 | 79 | 0 | 53 | 53 | 935 | 1,065 | 130 |
| Third Party Payments | 95 | 85 | (10) | 0 | 138 | 138 | 0 | 0 | 0 | 95 | 223 | 128 |
| Support Services | 67 | 67 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 67 | 67 | 0 |
| Gross Expenditure | 6,164 | 6,061 | (103) | 405 | 606 | 201 | 0 | 72 | 72 | 6,569 | 6,739 | 170 |
| Income | | | | | | | | | | | | |
| Sales, Fees & Chgs | (43) | (39) | 4 | 0 | 0 | 0 | 0 | 0 | 0 | (43) | (39) | 4 |
| IER Grant | 0 | 0 | 0 | (405) | (606) | (201) | 0 | 0 | 0 | (405) | (606) | (201) |
| EU Referendum Grt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (127) | (127) | 0 | (127) | (127) |
| Interest | (3) | (3) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (3) | (3) | 0 |
| Total income | (46) | (42) | 4 | (405) | (606) | (201) | 0 | (127) | (127) | (451) | (775) | (324) |
| Net Expenditure | 6,118 | 6,019 | (99) | 0 | 0 | 0 | 0 | (55) | (55) | 6,118 | 5,964 | (154) |

Forecasts to 31st March 2017

2.2 At this stage, the projected outturn indicates a forecast spend of £5.964m which would result in a net under spend of £0.154m.

The variance relates to;

- Core budget – under spend £0.099m.
- EU Referendum Grant – under spend £0.055m.

2.3 The forecast variance reported in November 2016 was a £0.100m under spend so there has been a favourable movement of £0.054m. The movement is mainly due to a reduction in employee forecasts due to the following:

- Internal appointments to Assessor & ERO and Depute positions - £10k
- Recruitment savings on 10 posts notified to Board in November - £15k

- Turnover/changes to working hours since the last reported position - £28k

Core budget variance - £0.099m under spend

- 2.4 The projected outturn of £6.019m against the core budget of £6.118m would result in a net under spend of £0.099m. The principal reason for this is a forecast under spend of £0.086m within employee costs. This is principally due to the ongoing policy of review and control of vacant posts and turnover factor within the organisation. The outturn variances against other budget headings are relatively minor, although it should be recognised that there will be some movement between final year-end outturns to those forecast within this report.

EU Referendum - £0.55m under spend

- 2.5 The Board received grant of £0.127m towards costs arising from the EU referendum. At present there is an under spend of £0.055m against this grant, however further electoral registration costs may be allocated before the year-end. Any unspent grant will be carried through the Board's general reserve.

Individual Electoral Registration (IER)

- 2.6 IER expenditure will be fully funded 2016/17 so there will be no requirement to drawdown from the reserve (approval given for up to £0.364m during 2016/17). The current forecast assumes that all IER funds will either be fully spent during 2016/17 or any balance carried forward to 2017/18. The current estimate of grant carry-forward is £0.138m, although again there could be movement as year-end costs between IER and the core budget are reviewed.

| Individual electoral registration (IER) | Forecast £'000 |
|--|---------------------------|
| IER expenditure | 468 |
| IER grant unallocated | 138 |
| IER Income | (606) |
| Reserve drawdown | 0 |
| Funded by requisition | 0 |

Budget 2017/18

- 2.7 A separate report on the 2017/18 budget will be presented on this agenda.

3 Conclusions

- 3.1 At this stage, there is a projected net under spend of £0.154m relating to Financial Year 2016/17.
- 3.2 The general reserve balance available to the Board at 31st March 2016 is £0.749m, and based on this year-end outturn would increase to £0.903m.

4 Recommendations

- 4.1 The Board is recommended to note the projected outturn position for 2016/17;

**Hugh Dunn,
Treasurer.**

Background Papers:

Held at the Office of Treasurer