

Period 9 Financial Statement 2018/19

4th February 2019

1 Purpose of report

This report summarises the projected revenue budget outturn position to 31st March 2019, based on the position at period ending 31st December 2018. The report has been prepared in consultation with the Assessor.

2 Main Report

Projected Revenue Outturn 2018/19

2.1 The table below compares projected revenue outturn 2018/19 with the budget. The forecast variance, based on the position at 31st December, is an under spend of £0.080m. This represents an increase in expenditure of £0.023m to that reported in November. The increase is relatively minor and relates mainly to forecast revisions in supplies and services using the most up to date expenditure profiles.

	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	4,378	4,279	(99)	59	36	(23)	4,437	4,315	(122)
Premises costs	520	520	0	0	0	0	520	520	0
Transport costs	96	80	(16)	0	0	0	96	80	(16)
Supplies & Services	750	778	28	216	188	(28)	966	966	0
Third Party Payments	82	89	7	0	367	367	82	456	374
Support Services	67	67	0	0	0	0	67	67	0
Gross Expenditure	5,893	5,813	(80)	275	591	316	6,168	6,404	236
Income									
Sales, Fees & Charges	(43)	(43)	0	0	0	0	(43)	(43)	0
IER Grant	0	0	0	(275)	(591)	(316)	(275)	(591)	(316)
Interest	(3)	(3)	0	0	0	0	(3)	(3)	0
Total income	(46)	(46)	0	0	0	(316)	(321)	(637)	(316)
Net Expenditure	5,847	5,767	(80)	275	591	0	5,847	5,767	(80)

Forecasts to 31st March 2019 – Core Budget

2.2 The projected outturn indicates a forecast under spend of £0.080m.

2.3 The principal reasons for the budget under spend are as follows:

- Employee costs - £0.099m under spend – following transformational change and staffing appointments a saving will be made in relation to vacant posts filled part-year only.

- Transport costs - £0.016m under spend - part of the ongoing process review on external survey work allowing a targeted approach which reduces travel expenses.
- Supplies and Services - £0.028m over spend – mainly resulting from the requirement to replace handsets and telephony software incurring a one-off payment 18/19.

3 Individual Electoral Registration (IER)

- 3.1 The 2018/19 budget assumes that all costs will be met by grant from the Cabinet Office. Grant of £0.241m has been received for 2018/19 from the Cabinet Office and unspent grant of £0.350m was carried over from 2017/18. Total grant of £0.591m is therefore currently available to fund IER costs 2018/19. It is not anticipated that costs will exceed grant and for reporting purposes the current forecast assumes a carry-forward to 2019/20 of £0.367m.
- 3.2 The IER process remains under review and a funding commitment until 2019/20 was agreed by the Cabinet Office previously. The funding of these costs beyond this period and options to reduce it through procedural change remain subject to further discussion. The Assessor will provide updates to the Board when they become available.

4 General Reserve

- 4.1 The Board's general reserve balance currently stands at £0.798m. This does not include the forecast underspend for 2018/19 of £0.080m reported above.
- 4.2 The Board previously approved the use of the reserve to fund Barclay ICT development costs and career progression increments. In November 2018 these were estimated at £0.197m over three years. Further revisions to this figure will be reported to the Board as the requirements arising from the Barclay Review of NDR are implemented.
- 4.3 The Board previously approved the use of the reserve to fund staff VR/Strain costs.
- 4.4 Risks to the Reserve are detailed further in the Revenue Budget 2019/20 Report presented separately on this agenda.

5 Conclusions

- 5.1 At this stage, there is a projected net under spend of £0.080m relating to Financial Year 2018/19.

6 Recommendations

The Board is recommended to:

- 6.1 Note the projected outturn position for 2018/19.

**Hugh Dunn,
Treasurer.**