

Period 4 Financial Statement 2018/19

3rd September 2018

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 July 2018. The report has been prepared in consultation with the Assessor.

2 Main Report

Projected Revenue Outturn 2018/19 – Core Budget

2.1 The table below compares projected revenue outturn 2018/19 with the budget. The forecast variance, based on the position at 31st July, is an under spend of £0.115m.

| | Core Budget | | | IER Budget | | | Total | | |
|---------------------------|-----------------|-------------------|-------------------|-----------------|-------------------|-------------------|-----------------|-------------------|-------------------|
| | Budget £'000 | Forecast £'000 | Variance £'000 | Budget £'000 | Forecast £'000 | Variance £'000 | Budget £'000 | Forecast £'000 | Variance £'000 |
| <u>Expenditure</u> | | | | | | | | | |
| Employee costs | 4,378 | 4,263 | (115) | 59 | 21 | (38) | 4,437 | 4,284 | (153) |
| Premises costs | 520 | 520 | 0 | 0 | 0 | 0 | 520 | 520 | 0 |
| Transport costs | 96 | 96 | 0 | 0 | 0 | 0 | 96 | 96 | 0 |
| Supplies & Services | 750 | 750 | 0 | 216 | 216 | 0 | 966 | 966 | 0 |
| Third Party Payments | 82 | 82 | 0 | 0 | 354 | 354 | 82 | 436 | 354 |
| Support Services | 67 | 67 | 0 | 0 | 0 | 0 | 67 | 67 | 0 |
| Gross Expenditure | 5,893 | 5,778 | (115) | 275 | 591 | 316 | 6,168 | 6,369 | 201 |
| <u>Income</u> | | | | | | | | | |
| 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 | (275) | (591) | (316) | (321) | (637) | (316) |
| Net Expenditure | 5,847 | 5,732 | (115) | 0 | 0 | 0 | 5,847 | 5,732 | (115) |

Forecasts to 31st March 2019 – Core Budget

2.2 At this stage, the projected outturn indicates a forecast under spend of £0.115m. With the exception of employee costs, all other budget headings have been forecast on budget as it is relatively early in the year to predict otherwise and there are no known material budget variances at this stage. A further 2018/19 budget update will be provided to the Board in November.

2.3 The principal reason for the budget under spend reported is as follows:

- Employee costs - £0.115m under spend – following transformational change and staffing appointments a saving is predicted in relation to vacant posts forecast to be filled part-year only.

Individual Electoral Registration (IER)

- 2.4 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 that all IER funds will either be fully spent during 2018/19 or any balance carried forward to 2019/20. The forecast carry-forward at this stage of the year is £0.354m.
- 2.5 As reported to the Board previously, the introduction of the IER process has resulted in additional costs to the Board. The process is now embedded and the additional costs are estimated at £0.300m annually. These costs have so far been fully funded by Cabinet Office grant. The IER process remains under review and a funding commitment until 2019/20 was agreed 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.

General Reserve

- 2.6 The Board's general reserve balance currently stands at £0.798m. This includes the £0.213m over spend from 2017/18 reported previously on this agenda. An update on financial risks will be presented to the Board in November. In February 2018 the Board approved a formal reserves policy based on holding a general reserve with a minimum value of 3% of annual requisition. Balances held in excess of 3% require to be reviewed annually in-line with risk/identified commitments.

3 Conclusions

- 3.1 At this stage, there is a projected net under spend of £0.115m relating to Financial Year 2018/19.

4 Recommendations

The Board is recommended to:

- 4.1 note the projected outturn position for 2018/19;
- 4.2 note that a further 2018/19 budget update will be presented in November.

**Hugh Dunn,
Treasurer.**