

Period 9 Financial Statement 2019/20

3rd February 2020

1 Purpose of report

This report summarises the projected revenue budget outturn position to 31st March 2020, based on the position at period ending 31st December. The report has been prepared in consultation with the Assessor.

2 Main Report

Projected Revenue Outturn 2019/20 – Core Budget

- 2.1 The table below compares projected revenue outturn 2019/20 with the budget. The forecast variance, based on the position at 31st December, is an over spend of £0.007m. This is a reduction of £0.010m from that reported to the Board in November 2019.

	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	4,532	4,527	(5)	44	87	43	4,576	4,614	38
Premises costs	540	521	(19)	0	0	0	540	521	(19)
Transport costs	76	78	2	0	0	0	76	78	2
Supplies & Services	750	776	26	216	216	0	966	992	26
Third Party Payments	82	85	3	0	297	297	82	382	300
Support Services	67	67	0	0	0	0	67	67	0
Gross Expenditure	6,047	6,054	7	260	600	340	6,307	6,654	347
Income									
Sales, Fees & Charges	(43)	(43)	0	0	0	0	(43)	(43)	0
IER Grant	0	0	0	(260)	(600)	(340)	(260)	(600)	(340)
Interest	(3)	(3)	0	0	0	0	(3)	(3)	0
Total income	(46)	(46)	0	(260)	(600)	(340)	(306)	(646)	(340)
Net Expenditure	6,001	6,008	7	0	0	0	6,001	6,008	7

Forecasts to 31st March 2020 – Core Budget

- 2.2 At this stage, the projected outturn indicates a forecast over spend of £0.007m.
- 2.3 Forecast underspends against general premises budget headings pertaining to maintenance and repairs have been off-set by a minor forecast over spend in supplies and services. This is mainly in relation to additional printing and postage costs which have previously been highlighted to the Board as a cost risk. Wherever possible the Assessor will continue to try to manage costs down to budget level prior to the end of the financial year.

- 2.4 Cost impact of VR Severance and Pension Strain. The forecasts included in this report do not include potential severance and pension strain costs that may require to be accrued to financial year 2019/20 as a result of the Business Strategy being progressed by the Assessor. No business cases have been approved at this stage and the Board will be updated separately on this agenda. Whilst the accrual of any such costs would increase the over spend considerably, the Board's General Reserve would be expected to mitigate these costs in-line with its approved use.

Individual Electoral Registration (IER)

- 2.5 Grant of £0.228m has been received for 2019/20 from the Cabinet Office and unspent grant of £0.372m was carried over from 2018/19. Total grant of £0.600m is therefore currently available to fund IER costs 2019/20. It is currently forecast that £0.297m of unspent grant will be carried forward to 2020/21. The Board should note that the Assessor has allocated the overtime costs (£0.043m) incurred as a result of the December 2019 General Election against this budget heading.
- 2.6 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 costs through procedural change remain subject to further discussion. The Assessor will provide updates to the Board when they become available.

3. General Reserve / Risk

- 3.1 The Board's general reserve balance currently stands at £0.897m. This does not include the forecast over spend of £0.007m for 2019/20m reported above.
- 3.2 The Board requires to maintain a minimum general reserve level of 3% based on the annual requisition to mitigate against risk. A minimum reserve balance of £0.180m must therefore be retained at 31st March 2020 with the Board assessing balances held in excess of this as part of this report.
- 3.3 The Board previously approved the use of the reserve to fund staff VR/Strain costs. The outcome of the Business Strategy prepared and presented by the Assessor separately on this agenda and the impact of VR Severance/Pension Strain will be covered in more detail in both that report and in the Revenue Budget 2020/21 Report which is also presented separately on this agenda.

4 Conclusions and Recommendations

- 4.1 At this stage, there is a projected net over spend of £0.007m relating to Financial Year 2019/20.
- 4.2 The Board is recommended to note the projected outturn position for 2019/20.

**Hugh Dunn,
Treasurer.**