

At a Glance - Overview

Overall, current projections indicate that the LGA is expecting an estimated under spend in the region of **£1,500k** at year-end.

This is due to:

The following projected underspends: Workforce, Leadership & Productivity - £260k; Finance & Policy - £5k, Communications - £210k, Corporate Services - £460k and ring-fenced activity - £45k. These are offset by a projected overspend for Chief Executive's - £80k.

Draw down of reserves is projected to be lower than anticipated: Leadership Centre - £120k and Pensions - £30k.

In addition, pay costs are on track to achieve the planned savings of £680k.

Core Income

The LGA's overall income is projected to be in the region of **£435k** higher than budgeted income of £41,826k.

This is due to additional rental income for Local Government House - £65k, higher than anticipated dividends - £50k; and additional funds received for Local Government Challenge - £45k, Political Group Offices - £15k, European and International - £55k, Conferences & Events - £70k, Research & Information - £60k, LG Inform - £100k, Productivity - £150k and Peer Challenge Chargeable - £90k.

This is offset by a lower than projected income for Digital Communications - £65k, NGDP - £40k, Leadership & Localism - £80k and Workforce Consultancy - £80k.

Core Expenditure

An under spend in the region of **£1,025k** is projected for expenditure against operating budgets.

This is mainly due to projected under spends for: Conference and Events - £110k, Digital Communications - £110k, LG inform Plus - £70k, Leadership & Localism - £80k, Negotiations - £150k, NGDP - £20k, On Site Support - £20k, Business Support £85k, HR Services - £50k and Contingency - £720k.

Pay costs are projected to under spend by £680k

This is offset by projected overspends for: Member Services - £100k, Independent Office - £5k, Finance & Policy - £5k, Peer Support - £200k, Communications - £5k, Property costs - £25k, additional Corporate charges - £100k, ICT - £150k, and Liberata charges - £245k.

Projected overspends for Peer Chargeable - £70k and Local Government Challenge - £45k are offset by additional income.

Projected reserves is less than budgeted with Leadership Centre - £120k and Pensions - £30k.

Ring-fenced Activity

An additional contribution to overheads of **£45k** is projected from ring-fenced activity.

This is mainly due to: Planning Advisory Service - £20k, One Public Estate - £35k and Sector Led Support - Childrens' - £40k.

This is offset by a higher than anticipated spend against income for Icelandic Banks - £50k.

Risks**Opportunities**

- Possible under spend within the Finance and Policy team; a full review is currently being undertaken.

LG COMPANY REPORT - TOP LEVEL CONSOLIDATION - NOVEMBER 2013

RAG Status Key	
G	Within 2% of budget
A	Between 3% - 9% of budget.
R	10% under /over budget

							As at Period 8	
							November 13	
Description	Year to date			Full year			Commentary	RAG Status
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast Outturn	Budget to Outturn Variance		
	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s		
INCOME:								
Subscription Income (Net of discounts)	(9,698)	(9,698)	-	(9,698)	(9,698)	-		G
RSG Income	(16,888)	(16,506)	382	(25,500)	(25,500)	-		G
Welsh RSG Income	(215)	(215)	-	(323)	(323)	-		G
Income from Direct Services	(2,236)	(3,794)	(1,558)	(3,435)	(3,755)	(320)	The projected variance is due to additional funds received for Local Government Challenge - £45k, Political Group Offices - £16k, European and International - £55k, Conference & Events - £72k, Peer Challenge Chargeable - £90k and Research & Information - £60k, LG Inform - £99k, Productivity - £150k. This is offset by a lower than projected income for Digital Communications - £65k, NGDP - £40k, Workforce Consultancy - £80k and Leadership and Localism - £80k.	
Shared Services - 3rd Party Income	(32)	(68)	(36)	(48)	(48)	-		G
Rental Income	(923)	(834)	89	(1,241)	(1,307)	(66)	Rental income will be £66k higher than budgeted for due to additional tenants and rent increases.	A
Other Income	(254)	(923)	(669)	(381)	(281)	100	The projected variance is due to lower than anticipated interest.	R
Geoplace dividend	(600)	(375)	225	(1,200)	(1,350)	(150)	The projected variance is due to Geoplace paying a higher dividend than anticipated.	R
Total Core Income	(30,847)	(32,415)	(1,567)	(41,826)	(42,262)	(436)		

As at Period 8								
November 13								
Description	Year to date			Full year			Commentary	RAG Status
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast Outturn	Budget to Outturn Variance		
	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s		
EXPENDITURE:								
Core Employee Costs	11,165	10,878	(287)	16,592	15,417	(1,175)	The full year variance is due to savings achieved as a result of the revised staffing structure.	R
Extra Employee Costs	-	249	249	-	494	494	Severance pay agreed to date.	R
RSG payments to 3rd parties	1,532	1,029	(503)	2,203	2,203	-		G
Programme Costs	5,384	4,756	(629)	9,055	8,931	(124)	The projected overspend is due to: Member Services - £96k, Independent Group - £4k, Finance & Policy programmes - £5k, Peer Chargeable - £72k, Peer Support £200k, Improvement Support - £7k, Communications - £5k and Local Government Challenge - £45k. This is offset by projected under spends for: LG Inform Plus - £70k, NGDP - £20k, On Site Support - £20k, Negotiations - £150k, Leadership & Localism - £79k, Conferences & Events - £110k and Digital Communications £109k.	
Liberata Contract	3,539	3,687	148	5,296	5,541	245	The YTD variance is due to a delay in receiving invoices for additional Liberata charges. The projected overspend is due to savings not being met for Conference & Events Booking system and Out of Hours Security at Layden House.	A
Other running costs	911	1,504	593	2,306	1,699	(607)	The projected under spend is due to agreed in-year savings of £720k mainly from programme budgets; Business Support - £85k and reduced training spend in HR £50k. This is offset by projected overspends for: Corporate Services - £100k and ICT projects - £148k.	R
Property Costs	1,467	1,594	127	2,590	2,613	23	The projected over spend is due to higher rates than budgeted for.	G
Pensions - Past employees	785	1,126	341	930	930	-	The YTD variance is due to timing on invoices.	G
Pension Deficits Reduction Payments	2,465	1,568	(897)	3,874	3,874	-	The YTD variance is due to timing on invoices.	G
Total Core Expenditure	27,249	26,392	(857)	42,846	41,702	(1,144)		
NET CORE POSITION (Surplus) Deficit	(3,598)	(6,022)	(2,424)	1,020	(560)	(1,580)		

As at Period 8								
November 13								
Description	Year to date			Full year			Commentary	RAG Status
	Budget YTD	Actuals YTD	Variance YTD	Budget Year	Forecast Outturn	Budget to Outturn Variance		
	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s	2013/14 £000s		
Ring Fenced income	(8,735)	(7,791)	944	(13,744)	(13,088)	656	Projected income is lower than budget mainly due to: Childrens Workforce £732k and One Public Estate £551k. This is offset by additional funding for Pensions £100k, Culture, Tourism & Sport £40k, Cultural Services Grant £250k, POP Group £44k and Income for Icelandic Banks £200k.	R
Ring-fenced expenditure	8,449	7,844	(605)	13,773	13,110	(662)	Projected expenditure is lower than budget mainly due to: Childrens Workforce £732k and One Public Estate £581k. The Planning Advisory Service are expected to contribution a further £22k a to overheads. This is offset by overspends for Pensions £100k, Culture, Tourism & Sport £40k, Cultural Services Grant £250k, POP Group £44k and Icelandic Banks £250k.	R
Ring-fenced overhead recovery	(313)	(478)	(165)	(710)	(750)	(40)	An additional £40k contribution to overheads has been received from Children's Improvement programme	
Net Ring Fenced Position	(598)	(424)	174	(682)	(728)	(46)		
NET LGA POSITION Pre Reserves (Surplus) Deficit	(4,196)	(6,446)	(2,250)	338	(1,288)	(1,626)		
Planned Support from Reserves	-	-	-	(338)	(190)	148	Projected reserves is lower than budgeted for with Leadership Centre - £190k and Pensions not needing to use reserve funding.	R
NET LGA POSITION (Surplus) Deficit	(4,196)	(6,446)	(2,250)	-	(1,478)	(1,478)		