

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY
EXECUTIVE COMMITTEE**

Date: 17 December 2004

Subject: **Financial Report to 30 September 2004**

Report of: Director of Resources

Recommendation:

That the Executive Committee notes the report.

1. Purpose of the Report

- 1.1 This report updates the Committee on the financial status as at 30 September 2004 and the forecast end of financial year position.

2. Expenses

- 2.1 The expenditure for the six months is £1897.4k against a budget of £1908.2k, a favourable variance of £10.8k. The analysis of the variances is detailed below but overall reflects expenditure in advance of budget on recruitment, regional intelligence and delayed expenditure on payroll, communications and publication costs.

2.2 Salaries

As at 30 September 2004 34.6 staff were employed by the Assembly. The costs for the six months of £681.1k are £75.4k lower than anticipated as a result of the delayed appointment of the Regional Housing Adviser, a planner to cover statutory consultation work and other temporary planning and administrative support. In addition employer pension contributions currently remain at 13.1% as against 18% budgeted, awaiting the latest valuation of the pension fund.

The forecast of £1,416.9k, a saving of £106.3k on budget, reflects the annualisation of the above savings.

2.3 Recruitment

Costs of £31.0k for the six months are £24.4k over budget due to greater than anticipated staff turnover.

2.4 Training

Costs for the six months are £13.4k, are on budget but are forecast to be £2.9k higher than budgeted due to investment in media training in the third quarter of the year.

2.5 Members Allowances

Costs for the six months are on budget. Costs for the year are £2.4k higher due to a higher than anticipated cost of living increase.

2.6 Regional Intelligence

Costs for the six months of £592.8k are £162.7k higher than budget, reflecting carryover of delayed costs from prior year.

The forecast of £978.7k is £118.7k over budget, due to increased investment in the Wave 3 MORI programme and a joint research project on knowledge management with other regional partners.

2.7 Communications

Expenditure for the six months of £69.4k has been held at £49.8k less than budget in order to focus resources on the South East Plan consultation.

The forecast of £347.0k is on budget and reflects this reallocation of costs to support the public participation programme.

2.8 Publications

Costs for the six months of £114.9k are £53.6k less than budget due to costs re Waste and Minerals Public Examination being incurred last year, higher than anticipated cost of discussion papers, and planned expenditure on public information material re the South East Plan having been deferred to the final quarter of the year.

The forecast of £575.8k is £183.4k over budget due to the increased expenditure on the public information leaflets and South East Plan consultation document and supporting resources.

2.9 Europe

Costs for the six months are on budget.

2.10 Scrutiny

Costs for the six months of £25.1k are on budget.

Forecast costs are £6.8k over budget owing to additional research on LSPs and health inequalities.

2.11 Furniture and Equipment

Costs for the six months of £2.9k are close to budget and are forecast to remain on budget.

2.12 Depreciation

Costs for the six months of £18.6k are close to budget.

The forecast is expected to be on budget as investment in new computer equipment is planned for the last quarter of the financial year.

2.13 Travel

Costs for the six months of £21.0k are on budget and are expected to remain so in the balance of the year.

2.14 Postage

Costs for the six months of £16.0k are £6.5k less than budget as not all anticipated publication mailings occurred.

The forecast of £38.0k, £6.9k less than budget, reflects those savings.

2.15 Meetings

Costs for the six months of £46.0k are £6.3k over budget reflecting the costs of the extra plenary held in April 2004 and an increase in the number of meetings being held.

The forecast of £100.0k is £20.6k over budget reflecting an increased number of meetings and two extra plenaries over the full year.

2.16 Printing and Stationery

Expenditure for the six months of £15.3k is £2.7k above budget due to higher than anticipated in-house costs re preparation of the Spring Debate papers and South East Plan meeting papers and an additional plenary meeting.

The forecast of £34.0k, £8.8k over budget, reflects the continuing high level of production of papers for meetings etc.

2.17 Telephones

Costs for the six months of £14.7k are close to budget and are forecast to remain on budget.

2.18 Professional Costs

Costs for the six months of £13.5k are £5.4k less than budget but the forecast of £45.8k is £8.0k higher than anticipated due to increased expenditure on insurance and professional advice on VAT in the balance of the year.

2.19 Databases

Costs to date have been minimal and the forecast reflects that overall savings of £3.0k will be achieved.

2.20 Other

Costs for the six months of £10.5k are £3.2k below budget.

The forecast reflects a continued level of saving resulting from keeping internal catering costs, staff subscriptions and other general costs below budgeted levels.

2.21 Accommodation

Costs for the six months are on budget.

The forecast reflects savings of £20,000 as an allowance to cover the costs of hiring additional accommodation for the despatch of the South East Plan and the organisation of consultation handling will not now be needed.

2.22 Partners Support Unit

Costs for the six months and forecast are on budget.

3. Income

3.1 Subscription Income

Forecast subscription income of £686.5k is £4.4k higher than budget as both Swale and Hart District Council have paid their subscriptions for the year ended 31 March 2005.

3.2 ODPM

Income to date is on budget and no abatement is expected in respect of performance against business plan targets.

3.3 Income re Regional Intelligence Projects

Income for the six months of £20.9k is £10.9k higher than anticipated and further income is predicted in the balance of the year.

3.4 South East England Regional Aggregates Working Party (SEERAWP)

Income of £4.1k is on budget and forecast remains on budget.

3.5 Bank Interest, Other Income, INTERREG Income

Bank Interest of £11.7k is £5.7k higher than budget as expenditure in the last quarter of 2003-04 was delayed pending confirmation of the new funding regime with ODPM. The forecast reflects the full year impact.

Other Income includes £16.0k in contributions from other agencies towards the costs of producing the IRF document.

INTERREG Income from the ESPACE project of £11.5k has been received to date and £24.5k is forecast by year-end.

4. Reserves

- 4.1 Reserves at the end of the first six months are £575.7k; this reflects a delay in planned expenditure in the final quarter 2003-04 whilst details of the ODPM funding arrangements were confirmed. It also reflects that subscriptions for the financial year are all received in the first quarter of the year. The forecast reserves at the end of the year will be close to budget.

Carol Hodson
Director of Resources

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Tel: 01483 555210

Email: carolhodson@southeast-ra.gov.uk