

Revenue Budget Variances

Annex 1

Director of Resources

Resources Restructure

-£16k -

Additional savings on implementation of the Resources restructure

Training and Managers' Workshops

+£16k -

Expenditure on training sessions for Resources Management Team and workshops for Resources managers

Strike Deductions

-£13k -

Reduction in salary costs across the directorate due to strike deductions.

Basement Venture Fund Loan

+£90k 281%

The Venture Fund loan taken out in 2003/04 to fund works to the basement at 2 St Leonards as part of the Resource restructure has been paid back early. This will free up budget for other purposes in future, as well as reducing the amount of interest charged to the directorate.

Other minor variations

-£2k -

Director of Resources Total

+£75k

Public Services

Income & Grants

Anticipated overachievement of income as follows:

Verification Framework Grant

-£40k 27%

HB & CTB Admin Grant

-£68k 9%

Backlog Clearance

+£52k -

Additional expenditure on temporary staff to speed up payment of new Housing Benefits claims.

Housing & Council Tax Benefits Subsidy

+£158k 29%

Overspend on the pre audit final Housing & Council Tax Benefit Subsidy claim. The basic principle of the subsidy claim is that the Council is refunded 100% of expenditure incurred. However, there are a number of subsidy loss areas; mainly eligible overpayments on which CYC receives 40% subsidy, and Local Authority overpayments on which CYC only receives subsidy if the level of overpayments is kept below a preset threshold. There are several reasons for this overspend:

- There has been a large increase in eligible overpayments in 2005/06 (around £250k higher than in 2004/05). This is partly due to recent fraud cases which have found large overpayments going back a number of years. The Council loses 60% subsidy on these overpayments.
- Howe Hill homeless hostel has been closed for 8 months for refurbishment, with people being temporarily relocated to Bed & Breakfast accommodation, which has reduced the subsidy received - CYC receives 100% subsidy for expenditure on Howe Hill, but subsidy on B&B is capped. It is estimated that this has cost the Council £51k in subsidy in 2005/06.

Weekly Incorrect Benefits Subsidy

+£46k 52%

Procedural issues with the cancellation of council tax benefit and errors in coding.

Overpayments Income

-£234k 65%

Overachievement of income of Housing Benefit overpayments due to increased recovery work undertaken in year.

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<u>Benefits Staffing</u>	+£26k	2%
Expenditure on temporary staff and long term sick cover across the Benefits service. This is partially offset by vacancies due to high staff turnover.		
<u>Supplies & Services</u>	+£30k	36%
Overspends on training and computer and office equipment within the benefits service.		
<u>Revenues Staffing</u>	+£17k	2%
Expenditure on temporary staff in the Revenues service. This is partially offset by staffing vacancies in year.		
<u>Bank Charges</u>	+£13k	198%
Bank charges and credit card charges relating to the collection of Council Tax.		
<u>Court Costs Recovery Income</u>	-£75k	36%
Court costs income relating to the recovery of Council Tax and NNDR is higher than budget due to the increased number of cases taken to court in 2005/06.		
<u>Employment Tribunal</u>	+£34k	-
Legal costs and severance pay relating to an employment tribunal.		
<u>Benefits Take Up Venture Fund Loan</u>	+£111k	-
The Venture Fund loan taken out in 2004/05 and 2005/06 to fund Benefits Take Up work has been paid back early. This will free up budget for other purposes in future, as well as reducing the amount of interest charged to the directorate.		
<u>Data Protection</u>	+£13k	28%
Overspend on staffing		
<u>Registrar</u>	+£28k	56%
The overspend on staff resulting from increased workload (£38k), has been only partially offset by increased income from outside weddings and sales of birth certificates.		
<u>Other minor variations</u>	+£4k	-
Public Services Total	+£115k	
<u>Business Management</u>		
<u>Staffing</u>	-£44k	9%
Anticipated underspend due to staff vacancies, partially offset by additional responsibility allowances.		
<u>Bstrib Replacement Project</u>	-£5k	30%
Underspend due to project slippage		
<u>Pool Car</u>	+£4k	-
Overspend on the use of the Resources pool car.		
<u>Other minor variations</u>	+£3k	-
Business Management Total	-£42k	
<u>Financial Services</u>		
<u>Payroll, Payments & Debtors Staffing</u>	-£28k	4%
Underspend due to staff vacancies in year. This has been partially offset by expenditure on temporary staff and additional staff advertising costs.		
<u>Finance Staffing</u>	-£49k	9%
Expected overspend due to additional responsibility allowances, staff regrades and long term sickness cover, partially offset by vacancies due to staff turnover.		

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<u>FMS Replacement Project</u>	-£88k	88%
Underspend due to delay in the FMS replacement project.		
<u>FMS Enhancements Budget</u>	-£10k	83%
This budget has not been spent due to the project to replace the system.		
<u>Other minor variations</u>	-£1k	
Financial Services Total	-£176k	
<u>Audit & Risk Management</u>		
<u>Procurement Savings (Target £326k)</u>	+£177k	54%
£149k of procurement savings have been identified in 2005/06. This amounts to a £177k underachievement of the target. A programme of work has been on-going since 04/05 to achieve Procurement Savings budget. This programme has already led to a further £140k of savings being identified for 06/07 accounting purposes and another £26k that will be taken in 07/08 to be offset against the £177k outstanding by end of 2005/06. Work is on-going in 06/07 to identify where it might be possible to make further savings. It should be noted that the cumulative savings target for procurement since this budget was first established was £542k by the end of 05/06, against which the CPT have achieved total savings of £743k for the Council as a whole (of which £365k have been taken against this budget in accordance with the savings protocol and the rest given back to departments).		
<u>Audit Staffing</u>	+£20k	6%
Overspend on temporary staff and maternity cover.		
<u>Fraud Staffing</u>	+£24k	20%
Additional staffing resources have been brought in to support the increased number of fraud investigations currently being undertaken.		
<u>Fraud Fees</u>	+£25k	508%
Legal fees have been higher than budget due to the increased number of fraud investigations carried out in 2005/06.		
<u>Fraud Project</u>	-£15k	34%
A one off budget of £70k was approved at Urgency on 18 August 2004 to fund a significant fraud investigation. £15k of this remains unspent at the end of 2005/06.		
<u>Fraud Income</u>	-£98k	169%
Overachievement of income due to the increased fraud activity in year.		
<u>Insurance Premiums</u>	-£140k	
One off saving on insurance premiums in 2005/06.		
<u>Other minor variations</u>	+£7k	
Audit & Risk Management Total	£0k	
<u>Information Technology & Telecommunications</u>		
<u>FMS Replacement Project</u>	-£144k	100%
Spend on the FMS replacement project will not commence until 2006/07.		
<u>Easy@York Project</u>	-£291k	29%
Total underspend on easy@york programme budgets. The project is very complex and the assumptions made for spend in 2005/06 have not been completely accurate. The overall project funding requirement remains.		

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<u>ISIS</u>	-£193k	58%
Underspend on the ISIS replacement project due to project slippage.		
<u>Software Maintenance</u>	+£32k	
The licence to use Citrix has been renewed after the initial 5 year contract and prices have increased by £32k pa.		
<u>Sundry Income Accounts</u>	-£31k	
Income targets have been exceeded, especially relating to the take up of working from home (Nfuse).		
<u>Lease Savings</u>	-£32k	
One off surplus of funds generated from robust negotiations regarding lease buyout costs.		
<u>Development Projects</u>	-£213k	16%
Underspend due to project slippage and lower than expected costs on various IT development projects including: SX3 project; Leisure Bookings; Public Access to Planning; Election System, San Back Up; Asset Management System; Homecare Borrowing System; Public Rights of Way; Council Performance Management System; Prince 2 Project; LACCS & CAF; DLO CMS Replacement; Joint Childrens Database; and various other projects which will underspend by less than £5k each.		
<u>Salaries</u>	-£32k	
Staff savings due to vacancies pending staff replacement & non take up of superannuation scheme.		
<u>Maintenance & Licences</u>	-£10k	
Robust contract negotiations have resulted in reduced charges for system security and protection.		
<u>Training</u>	-£24k	
The provision of Prince 2 training has been reduced in year, leading to an underspend on the budget.		
<u>SX3 Venture Fund Loan</u>	+£20k	9%
An additional £20k above the budgeted repayment of the SX3 Venture Fund loan has been paid this year. This will enable ITT to avoid a budget problem arising from future scheduled repayments.		
<u>Other minor variations</u>	-£9k	
Information Technology & Telecommunications Total	-£927k	
<u>Property Services</u>		
Head of Property		
<u>Staff Advertising</u>	+£21k	18%
Expenditure on recruitment advertising following the restructure of Property Services.		
<u>Office Moves</u>	+£27k	288%
Expenditure on office moves, new office equipment and redecoration following the restructure of Property Services.		
Facilities Management		
<u>Staffing</u>	-£9k	2%
Underspend due to staff vacancies, offset by expenditure on external temps		
<u>Asbestos Surveys</u>	-£31k	6%
The number of asbestos surveys carried out on CYC properties has been lower than planned.		
<u>Income</u>	-£14k	2%

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Additional fees charged to Education & Leisure.

Admin Accom

Staffing -£7k 12%

Underspend due to staff vacancies.

Repairs & Maintenance +£22k 12%

The repairs and maintenance budget for admin accom properties has been overspent. This is an ongoing issue which has been funded in previous years through rate rebates.

Rates -£7k 1%

Underspend on business rates

Utilities +£39k 23%

Energy costs have been risen substantially in the last year

Backdated Service Charges +£18k 48%

Backdated service charges from new landlords at Swinegate and 10/12 George Hudson Street.

Cleaning +£11k 3%

Overspend on the Building Cleaning contract.

Asset & Property Management

Staffing -£33k 7%

Underspend on staff offset by expenditure on external consultants.

Property Transfer and Disposals +£60k -

Costs relating to the transfer and disposal of properties which cannot be recovered against subsequent capital receipts, together with abortive works relating to the sale of Shipton Street School to Arclight.

Venture Fund Loan -£30k 100%

A budget has been set aside for the repayment of a Venture Fund loan which was originally planned to be taken out in 2004/05, but which has not yet been needed.

Other Income +£40k 6%

Underachievement of Rating Revaluation income and income receivable under the Capital Receipts protocol, partially offset by additional income received for work done for the Admin Accom review.

Operational Budgets -£7k 19%

Underspend on photocopying and advertising.

Commercial Property Portfolio

Commercial Property Rental Income -£207k 9%

Overachievement of rental income on the Commercial Property portfolio. This includes £99k for a one off backdated rent increase on the Borthwick Institute.

Repairs and Maintenance +£8k 15%

Overspend on repairs and maintenance.

Rates +£8k 19%

Overspend on business rates.

Strategic Business & Design

Staffing -£30k 4%

Underspend due to staff vacancies following the Property restructure, partially offset by expenditure on external temporary staff.

External Consultants +£213k -

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Expenditure includes the cost of partnering with external consultants.

Operational Budgets

-£9k 35%

Underspend on photocopying, mobile phones and postages.

Income

-£114k 11%

Overachievement of income arising from project management fees relating to the capital programme.

Other minor variations

-£8k -

Property Services Total

-£39k