

RESOURCES SUMMARY OF VARIANCES - OUTTURN 2008/09

| | Expenditure Budget £000 | Income Budget £000 | Net Budget £000 | Provisional Outturn £000 | Variance £000 | % |
|--------------------|-------------------------------|--------------------------|-----------------------|--------------------------------|------------------|-------------|
| Director | 453 | 23 | 430 | 260 | -170 | -37.5 |
| Public Services | 42,589 | 40,014 | 2,575 | 1,967 | -608 | -1.4 |
| Financial Services | 2,455 | 2,266 | 189 | -143 | -332 | -13.5 |
| Audit & Risk Mgt | 3,779 | 3,542 | 237 | 313 | 76 | 2.0 |
| IT&T | 5,437 | 6,043 | -606 | -856 | -250 | -4.6 |
| EASY Project | 2,423 | 720 | 1,703 | 1,621 | -82 | -3.4 |
| Property Services | 10,510 | 8,948 | 1,562 | 1,392 | -170 | -1.6 |
| Total | 67,646 | 61,556 | 6,090 | 4,554 | -1,536 | -2.3 |

Requested directorate carry forwards total £660k leaving an underpend of £876k available to supplement council reserves.

DIRECTOR OF RESOURCES

| | £'000s |
|---|------------------|
| Resources Development fund, This balance is primarily made up from the clawback of the VF Repayment budgets (£-201k) for SX3 ,which has been offset by a number of virements to services. | (-) 170.0 |
| Total | (-) 170.0 |

PUBLIC SERVICES

£'000s

Local Taxation management

A Saving was included as part of be 2007/08 budget round which was linked to the staff restructure of Revenues & benefits area. It has not been delivered because of delays in Easy@York work in the benefits service. (+) 50.0

Savings from the vacant AD position. (-) 10.0

Revenues & Benefits

Court costs income over achieved for both NNDR and council tax, due to continuing work clearing backlog. (-) 112.0

Support costs from HBS incurred as part of implementing the Easy programme. (+) 25.0

Revenues and Benefits staffing overspend. (+) 17.0

Revenues & Benefits supplies and service costs have been under pressure particularly in relation to the introduction of 3D Secure software and improvements to the benefits software (£+33k).As previously reported in the Recovery section bailiff costs are over budget (£+16k) and additional one-off legal costs have been incurred contributing to a budget pressure of (£+6k) on professional fees. Postage costs (£+13k) and bank charges (£+8.6k) have overspent. Miscellaneous savings with supplies and services have offset some of this overspend (£-10k) (+) 66.0

Within the Benefits Business Management team overspends relate to printing (£+5k), stationary (£+2k), postage (£+7k) and training costs (£+6k) (+) 20.0

Customer Improvements

The Customer improvements project was part funded by CEEXEC Dept with match funding from Resources. During the year higher priority to improvements in this area has resulted in additional costs. (+) 40.5

Housing & Council Tax Benefits Subsidy

Housing benefits underspend by £-97k. This is mainly due to an anticipated level of 100% subsidy for LA error overpayments (£-160k) offset by an increase in eligible overpayments (£+63k) for which we receive 40% subsidy. This position is in line with expectations. (-) 97.0

There has been an improvement in the collection of debts during 2007/08 which has resulted in a reduction of the in year bad debt provision (£-50.8k) and also a historical provision associated with the introduction of the SX3 system (£300k). (-) 350.8

There have been improvements in the recovery of historical subsidy overpayments previously written off (£-53k). There is also an increase in the overall level of overpayments being recovered (£158k) (-) 211.0

One off saving, resulting from project work on benefits overpayments recovery, subsidy and other costs (-) 314.2

Systems Support / Business Support Groups

The Business support group has small overspend against budget. Within the Systems development team staff vacancies and temporary management arrangements has resulted in an underspend of (£-25.5k) (-) 23.4

York Customer Contact Centre

Additional technical telephony consultancy work to improve customer services in YCC (+) 79.0

There is a staff overspend due to a funding deficit of approx £+40k and additional training costs amounted to £+10k (+) 50.0

Easy project work

Staff costs on Easy project work to improve services in Revenues teams (+) 152.0

Planned purchase of specialist queue management equipment and technology to help manage services in preparation for the new Hungate offices One Stop Shop has not been incurred and there is a carry forward request for £50k

Registrar

Additional staff costs (£+12.5k) have been offset from additional income from outside marriages (£-19.8k). The shortfall on marriage fees of (£+30k) has been partially offset from additional income from certificates and performing other ceremonies (£-11.8k) (+) 10.9

Public Services Total (-) 608.0

FINANCIAL SERVICES

| | £'000s |
|---|------------------|
| <u>Exchequer Services</u> | |
| Underspends in payroll (£-47.5k) due to staff vacancies and work undertaken on the job evaluation project, offset by an overspends in debtors services (£+12.1k). Additional costs were incurred on Absence monitoring software adaptations (£+5.1k). Other minor variances (£+1.3k) | (-) 29.0 |
| <u>FMS Project</u> | |
| Anticipated project slippage into 2008 due to longer than expected procurement . There is a carry forward request for this underspend as the implementation phase will need to be extended accordingly | (-) 217.5 |
| <u>Accountancy</u> | (-) 77.2 |
| Staff underspend due to vacant posts (£-64k). A further underspend on FMS consultancy work (£-17k) which is requested to carry forward to support the FMS project. Miscellaneous overspends on supplies and services (£+3.8k) | |
| <u>Financial Services Management</u> | (-) 6.0 |
| Underspends on Staffing due to vacancies (£-19.5k) which has recovered an overspend within Supplies & Services due to the Budget Consultation process where no budget was allocated but costs of £+14.2k were incurred. Other minor underspends (£-0.7k). | |
| <u>Salary Sacrifice Schemes</u> | (-) 2.6 |
| Salaries (£+12.1k) and Commission (£+21.2k) have been offset by savings from employers national insurance contributions of £-35.9k, this has resulted in net position of (£-12.6k) for all the schemes. Against a budget of £-10k resulting in an overall variance against budget of £-2.6k | |
| Financial Services total | (-) 332.3 |

AUDIT & RISK MANAGEMENT

| | £'000s |
|--|-----------------|
| <u>Insurance team</u> | |
| Staffing budget pressures of £+16.5k, and other miscellaneous overspends £+1.3k, have been offset by additional income achieved on external premiums charged (£-15.7k). Further loss of income within Fees & Charges of £+11.5k | (+) 13.6 |
| <u>Audit & Fraud services</u> | |
| Additional costs (£+22.8k) associated with both the shared Audit & Fraud service and Investigation work have been offset by additional fee income and contributions from NYCC (£-39.3k). Within the Fraud service additional legal fees (£+11k), subscription costs (£+5k), travel expenses (£+4k) have been incurred and reported on previous occasions. A shortfall in Financial investigation income (£+34.8k) has been offset by staff vacancies in Fraud (£-36k), and additional Income from Administration penalties (£-7.7k). Backpay and other related costs (£+17.4k) | (+) 5.2 |
| <u>Procurement Team</u> | |
| As previously reported there is a budget pressure of £+40k as no dividend is expected from the YPO. | (+) 40.0 |
| The additional costs of consultancy work which is for pump priming work and supporting procurement projects across the council (£+61.4k) is substantially recovered from staff vacancies within the team (£-29.2k) and additional fee income (£-20k). | (+) 12.2 |
| <u>Professional training</u> | |
| This overspend is primarily associated with the cost of training fees | (+) 6.7 |
| <u>Data Protection</u> | |
| Reflects a small underspend on staff costs | (-) 1.6 |
| Audit & Risk Management Total | (+) 76.1 |

INFORMATION TECHNOLOGY & TELECOMMUNICATIONS

£'000s

Underspends due to scheme slippage

Social Care System replacement programme

(-) 215.0

Due to a loss of key staff in year and a change in priorities within the Business, the Project Board agreed to reschedule phase 2 of this programme to late summer 2008.

FMS Replacement project

(-) 114.0

The chosen FMS supplier has been selected and is now working on site with the implementation. However, because of pressures on the Business, specifically around the changes necessitated around the implementation of job evaluation, and the 2009/10 budget process, the implementation date for the new system has been rescheduled to January 2009. As a result the spend on the project has been lower than initially forecast and the majority of the spend on the project will now take place in early 2008/09. £100k of the underspend has been vired to support the project implementation costs within Strategic Finance.

Single Assessment Process

Lack of available resource within the Business to complete the project in year.

(-) 51.0

Electronic Data Management (EDMS)

Technical resource now commissioned and contract let, with 1st phase of delivery scheduled for September 2008. This work is required to continue and a carry forward request is being made.

(-) 62.0

Mobile Working

(-) 49.0

Due to the failure of the initial pilot software design/solution this project had to revisit the market place leading to a delay in procuring the platform to deliver a Corporate Mobile working solution. A carry forward request is being made for this project.

Other Projects

There are a number of projects which have slipped or been deferred for a variety of reasons, these are as follows:

(-) 67.0

Asset Management System (£-26k) - The final phase of this project is linked to delayed FMS project - completion anticipated during 2008/09.

Highways Upgrade & Extension (£-13k) - Review of business case being undertaken

Highways Maintenance Hand Held computers (£-2k) - The solution for this project is dependant upon the outcomes of the corporate mobile working pilot.

Historic and Natural Environmental Records (£-7k) - Supplier takeover has delayed project.

Looked After Children Computer System (LACCS) and Children's Assessment Framework (CAF) (£-8k) - Existing System no longer in use awaiting business decision on CAF

Warden Call (£-11) - Complex and protracted procurement has delayed the project, now due to be complete by Sept 08.

Reprioritisation of Resources within the Directorates

For some projects there has been a lack of Resources available within other directorates - the projects are listed below.

(-) 50.0

Warden Call Hardware (£-4k), Planning & Regs Data Integration (£-5k), Integrated Pupil Support Module (£-2k), Doc Management Housing (£-27k), Joint Children's Database (£-10k), Street Server System (£-2k).

INFORMATION TECHNOLOGY & TELECOMMUNICATIONS

£'000s

Completed / Cancelled Projects

Projects Completed Under Budget

A number of projects have been completed under budget, contributing £+40k to the projected underspend, these are listed below, (-) 40.0

DLO CMS Replacement and Work Scheduling (£-9k), Council Performance Management System (£-7k), Electronic Links to the Inland Revenue (£-4k), Registration Software (£-1k), Web Authoring (£-1k), Finance Document Management (£-5k), Admissions On Line (£-1k), Document Management Building Services (£-1k), Uniform Planning & Building control (£-11k)

Cancelled Projects

There are two projects that have been cancelled, these are the Homecare monitoring system (£-12k) and the Tenants choice project (£-3k) (-) 15.0

Other System Related Variances

HR & Payroll

Release of leasing and maintenance accruals no longer required (-) 61.0

Further Education Awards

System no longer in use as confirmed by Children's Services (-) 6.0

Election System

System replaced (-) 4.0

Commercial Waste System

Revenue costs incurred offset against a corresponding underspend in capital. (+) 23.0

Other General Variances

Employment costs

Due to long term vacancies, maternity leave, staff working reduced hours and long term staff sickness on reduced pay. (-) 53.0

General Income

Services undertaken outside the Service Level Agreement which has resulted in non budgeted income (-) 33.0

General Underspends

Small value net underspends (£-52k) realised in year across all service areas (-) 52.0

4 Museum Street Printing facilities

Printing now moved to the Central Print Unit within the Guildhall - savings realised on hardware maintenance. (-) 7.0

General Overspends

Purchase of necessary spares and stock items to ensure continuity of service taking account of supplier lead times (+) 11.0

Upgrade of the ITT service desk system to accommodate workflow requirements needed to manage an increasingly complex technical environment. The upgrade also offers the potential to increase the user base to include non ITT service areas. (+) 16.0

SX3 - in year adjustment actioned to ensure full annual support and maintenance costs were charged in year. (+) 31.0

Legal fees relating to the Voice and Data managed service contract renewal (+) 8.0

Telephone fraud charges - prudent treatment of potential liability as negotiations continue with supplier (+) 18.0

Additional expenditure items included in Monitor 2 report

SOCITM consultancy to support production of IT strategy and other work (+) 36.0

Purchase of Enterprise licenses to link the Customer Relationship Mgt system to other councils systems. (+) 295.0

Additional IT costs relating to Easy Implementation (+) 96.0

Purchase of 'Green' IT equipment (+) 95.0

IT&T Services Total (-) 250.0

EASY PROJECT

| | |
|---|--------------------|
| In year underspend from Easy@york phase 1. This is to add to the earmarked Easy reserve of £1,388k to fund the residual costs of Phase 1 and to support the development of Phase 2. | £'000s (-) 82.0 |
| | (-) 82.0 |

Property Services

| | £'000s |
|---|----------|
| Head of Property Services | |
| <u>Employees</u> | |
| Underspend of £12k on staff advertising | (-) 12 |
| <u>Supplies & Services</u> | |
| A provision of £50k was provided from the Resources Development Fund to review business practices within the department. This work has slipped to 2008/09 and a carry forward request is put forward. There has also been savings on insurance premium recharges £-25k. | (-) 75 |
| <u>Miscellaneous</u> | |
| Underspends against budget held by HoPS to deliver asbestos resurveys £38k. | (-) 38 |
| | (-) 125 |
| Facilities Management | |
| <u>Staffing variances</u> | |
| Overspend on agency staffing costs covering vacancies within the service. This overspend has been offset by additional income achieved (see below). | (+) 28 |
| <u>Supplies & Services</u> | |
| Underspend on external consultancy support £+30k (funded by income below). Small overspend on subscriptions (£+3k) and photocopying (£+2k) and other supplies and services (£+2k). | (+) 37 |
| <u>Income</u> | |
| Additional fee income earned from the capital programme | (-) 71 |
| | (-) 6 |
| Admin Accom | |
| <u>Premises</u> | |
| Energy price increases came in slightly lower than assumed resulting in a budget saving of £-30k. This was offset by small overspends. | (-) 28 |
| <u>Income</u> | |
| Lower than budgeted income following Legal Services move from Kings Court to Guildhall (£+34k) and space given up in George Hudson Street by York Training Centre (£+19k). | (+) 54 |
| | (+) 26 |
| Asset & Property Management | |
| <u>Employees</u> | |
| Underspend on staffing due to vacancies | (-) 20 |
| <u>Supplies & Services</u> | |
| Underspends of £40k on framework consultants, £3k photocopying and £4k advertising | (-) 47 |
| <u>Income</u> | |
| Additional income from Service Level agreement and capital charges (£-18k) and work done for Housing Revenue Account in relation to Discuss sites (£-23k) offset by underachievement of income from undertaking rating revaluations (£+18k). | (-) 23 |
| | (+) 100 |
| The department is supported by £100k provision from the capital reserve to fund asset management plans and corporate landlord issues. Given the departmental overall underspend it has not been necessary to draw down this funding. | |
| | (+) 10 |

Property Services

| | | £'000s |
|---|-----|----------------|
| Commercial Property Portfolio | | |
| <u>Premises</u> | | |
| Additional repairs and maintenance costs have been incurred dealing with properties in Shambles (£+19k), Coppergate (£+9k) and Theatre Royal (£+7k). Other property related costs overspends total £11k. | (+) | 46 |
| <u>Supplies & Services</u> | | |
| Savings arising from reduced bad debt provision required for rents (£4k) and savings on Parkside facilities hire budget (£-34). Miscellaneous other underspends total £-1k. | (-) | 8 |
| <u>Miscellaneous/Recharges</u> | | |
| Additional fee charges from Facilities Mgmt outside of service level agreement. | (+) | 4 |
| <u>Income</u> | | |
| Improvement in occupancy levels across council properties resulted in overachievement of income of £118k. This was primarily from Shambles properties, Gillygate and Miscellaneous properties. | (-) | 118 |
| | | (-) 76 |
| Strategic Business & Design | | |
| <u>Employees</u> | | |
| Overspend on agency staffing covering for vacancies | (+) | 30 |
| <u>Supplies & Services</u> | | |
| Additional use of external consultants £41k re framework arrangement (funded from additional income below) offset by underspends on photocopying £-3k and subscriptions £-4k and other misc supplies and services (£-1k). | (+) | 33 |
| <u>Income</u> | | |
| Additional income of £44k for capital scheme fees funding the use of framework consultants above | (-) | 45 |
| | | (+ 18) |
| Property Transfer & Disposal | | |
| Lower than anticipated costs incurred dealing with surplus properties charged to the property transfer and disposal budget. | (-) | 13 |
| <u>General</u> | | |
| Other miscellaneous underspends across the service plan | (-) | 4 |
| | | (-) 17 |
| Property Services Total | | (-) 170 |