

## RESOURCES SUMMARY OF VARIANCES - MONITOR 1 2008/09

|                    | Expenditure<br>Budget<br>£000 | Income<br>Budget<br>£000 | Net<br>Budget<br>£000 | Provisional<br>Outturn<br>£000 | Variance<br>£000 | %    |
|--------------------|-------------------------------|--------------------------|-----------------------|--------------------------------|------------------|------|
| Director           | 450                           | 23                       | 427                   | 402                            | -25              | -5.6 |
| Public Services    | 44,214                        | 41,772                   | 2,442                 | 2,472                          | 30               | 0.1  |
| Financial Services | 2,605                         | 2,440                    | 165                   | 190                            | 26               | 1.0  |
| Audit & Risk Mgt   | 3,923                         | 3,695                    | 228                   | 165                            | -63              | -1.6 |
| IT&T               | 6,116                         | 5,891                    | 225                   | -35                            | -260             | -4.3 |
| EASY Project       | 2,936                         | 1,489                    | 1,447                 | 1,438                          | -9               | -0.3 |
| Property Services  | 10,266                        | 8,717                    | 1,549                 | 1,737                          | 188              | 1.8  |
| Total              | 70,510                        | 64,027                   | 6,483                 | 6,369                          | -113             | -0.2 |

**DIRECTOR OF RESOURCES**

|  | £'000s          |
|--|-----------------|
| This underspend reflects the temporary vacancy of the Directors position, the new Director commences in late August. | (-) 25.0        |
| <b>Total</b>   | <b>(-) 25.0</b> |

## PUBLIC SERVICES

|   | £'000s        |
|---|---------------|
| <u>Benefits teams</u>   |               |
| Restructure implementation costs of £154k are being incurred due to JE and the subsequent embargo on staff changes. In addition the provision of benefits system training and minor accommodation changes are costing £99k. These additional costs are being partially covered from a carry forward provision of £20k, an underspend on the Local Housing Allowance grant of £44k and staff vacancies of £81k.  | + 107.7       |
| <u>York Contact Centre, including revenues administration</u>   |               |
| There is a budget pressure resulting from un-achieved income of £40k, with discussions continuing regarding the level of work being provided. In addition, measures are now being taken to achieve a savings target of £50k by maximising the teams efficiency with the introduction of the benefits front office. Additional one-off equipment costs of £10k have been incurred to expand YCC to accommodate the new teams. There is an anticipated over achievement of reimbursements income of £9k, with other miscellaneous underspends of £2k. | + 88.8        |
| <u>Housing &amp; Council Tax Benefits Subsidy</u>   |               |
| There is a projected underspend against the benefits subsidy budgets due to 100% subsidy being maintained for Local Authority Error overpayments, and due to a reduction in eligible overpayments for which the authority only receives 40% subsidy.  | - 241.9       |
| Overpayments which are recovered through the debtors system (Where the claimant is no longer receiving benefits) have declined in the first part of the year resulting in a budget pressure of £35.2k.  | + 35.2        |
| <u>Senior Management</u>  |               |
| Following the departure of the Public services AD, interim management arrangements are currently in place until the Corporate restructure is implemented. A provision of £85k is made here towards the corporate savings target.  | + 85.0        |
| <u>Systems Support / Business Support Groups</u>  |               |
| This represents a vacancy that has not been filled pending the results of the corporate restructure.  | - 44.6        |
| <b>Public Services Total</b>  | <b>+ 30.2</b> |

## FINANCIAL SERVICES

|   | £'000s        |
|---|---------------|
| <u>Exchequer Services</u>   | + 15.9        |
| <p>Employees being seconded to the Job Evaluation project has meant an underspend in staffing of £60.5k, however it is envisaged that this budget will be required to implement the outcome of Job Evaluation. There are also overspends in training of £0.4k, external consultancy of £2k and an anticipated under-achievement in income of £14.8k. Within Creditors, a member of staff on Maternity leave from May '08 until, potentially, May '09 means an underspend of £11.7k however, because of this there are overspends in Overtime, Relief and Additional Allowances of £7.8k. In the Debtors section, long-term sickness is likely to mean an overspend of £6.4k. In addition to this, it is not anticipated that Debtors will achieve the income that is within the budget, meaning an overspend of £13.3k.</p> |               |
| <u>FMS Project</u>  | + 0.7         |
| <p>There are staffing pressures within the FMS project meaning an anticipated overspend of £9.6k however, this is offset by an underspend of £12.3k in Relief staff which is likely to be re-allocated to salaries generally. There is an overspend of £1k in Staff Advertising. Computer Hardware currently includes costs of £1.9k for a Laptop and, Premises Repairs &amp; Maintenance has expenditure of £0.5k - expenditure in both of these areas was not incorporated within the budget.</p>   |               |
| <u>Accountancy</u>  | - 9.2         |
| <p>Various vacancies in the team result in an underspend of £18.8k. In light of this however, an overspend in Staff Advertising of £4.1k is likely as well as an overspend in Computer Software of £5.3k. There are also miscellaneous overspends of £0.2k.</p>   |               |
| <u>Financial Services Management</u>  | + 25.6        |
| <p>The Head of Finance will leave the authority in September and it is anticipated that a permanent replacement will start in Feb '09, this vacancy will mean an underspend in staffing of £39.4k. However, an interim Head of Finance will be taken on from the beginning of September for 6 months. Due to the fact that this is a temporary Senior Management placement, the cost of this post is likely to be £65k.</p>   |               |
| <u>Salary Sacrifice Schemes</u>   | - 7.2         |
| <p>The underspend is due to reduced commission being paid to the new scheme provider.</p>   |               |
| <b>Financial Services total</b>   | <b>+ 25.8</b> |

## AUDIT & RISK MANAGEMENT

|  | £'000s        |
|--|---------------|
| <u>Audit &amp; Fraud services</u>  | - 1.8         |
| The service faces budget pressures in some areas, in particular the additional legal costs associated with on-going prosecutions, however it is anticipated that overall the service will operate within budget.                           |               |
| <u>Insurance team</u>  | - 4.5         |
| This underspend reflects additional commission income.   |               |
| <u>Procurement Team</u>  | - 8.9         |
| Although there are staff vacancies these are being covered through the use of agency staff with no additional costs are anticipated. The projected underspend is generated through internal commission from the legal framework agreement. |               |
| <u>Professional training</u>   | - 9.3         |
| This underspend reflects the current years trainee programme.  |               |
| <u>AD Audit &amp; Risk Mgt</u>   | - 7.9         |
| This underspend reflects the temporary vacancy of the AD position, the new AD commences in September.  |               |
| <u>DA Fees</u>   | - 30.8        |
| The projection reflects the agreed Audit and Inspection fee for 2008/09. It is anticipated that this underspend will be incurred for 2008/09 only.   |               |
| <b>Audit &amp; Risk Management Total</b>   | <b>- 63.2</b> |

## INFORMATION TECHNOLOGY & TELECOMMUNICATIONS

£'000s

### **MAJOR VARIANCES ABOVE £30K**

Social Care System replacement programme

Technical Integration work now undertaken in house rather than 3rd party supplied at substantially reduced cost. - 100.0

### **CANCELLED PROJECTS**

Looked After Children Computer System (LACCS) and Children's Assessment Framework (CAF) Database

Systems no longer in use - 8.0

### **SLIPPED/DEFERRED PROJECTS**

Asset Management System

Final acceptance linked to FMS project. Due 2008/09 - 15.0

Highways Upgrade

Review of Business case being undertaken - 9.0

Continuing Professional Development Solution

Anticipated late delivery of software from supplier - 10.0

Careworks/Youth Offending Team Migration Project

Delays due to technical difficulties regarding product installation - 10.0

Linking of Integrated Children's System and Pupils Database

Delays due to technical difficulties regarding product installation - 13.0

### **MISCELLANEOUS UNDERSPENDS AND INCOME**

Government Connect Scheme

The government have recently confirmed that in order to encourage take up of data sharing potential the first year costs have been waived resulting in this one off saving. - 20.0

Additional Income

Sales of services that are outside of the annual Service Level Agreement and associated internal recharges - 25.0

Revised Accruals

Telephone fraud charges accrued 07/08 of £20k. Robust negotiations with the supplier have resulted in a substantial reduction in liabilities due to acceptance of shared risk argument. - 9.0

General Underspends

There are a number of cost centres currently forecasting small underspends. - 41.0

**IT&T Services Total - 260.0**

## EASY PROJECT

|  | £'000s |
|--|--------|
| Easy Phase 1 expenditure will exceed budget for 1 year due to establishment budgets being transferred back to ITT. For future years it is anticipated that there will not be a budget pressure due to a reduction in ongoing support costs.  | + 13.0 |
| Easy Phase 2 has an underspend on staff costs (£-69k) due to some delays in recruitment, and lower pension contributions. These are offset against reductions in the anticipated savings (£+47k) which will materialised in 2008/09. It is important to note that the savings will still materialise, but have been delayed. | - 22.0 |
|  | - 9.0  |

## Property Services

|  | £'000s         |
|--|----------------|
| <u>Asset &amp; Property Management</u>   | - 15.0         |
| This underspend is largely due to staff savings as a result of vacant posts. These are offset to some extent by expenditure on Professional Fees and External Consultancy.   |                |
| <u>Strategic Business &amp; Design</u>   | + 66.0         |
| The overspend is partially due to losing the Gas Servicing Contract, which will now be undertaken by Commercial Services. The remaining overspend is largely due to reduced capital programme fee income. Past experience suggests this variance will be reduced by the end of the year.   |                |
| <u>Commercial Property Portfolio</u>   | + 51.0         |
| The overspend is largely a result of reduced rental income for Parkside due to its imminent closure. The Shambles and the Theatre Royal are both projecting an overspend due to increased expenditure on Repairs & Maintenance. These overspends are partially offset by increased rental income for 'Miscellaneous Properties' and Millfield Lane Farm. |                |
| <u>Admin Accommm</u>   | + 86.0         |
| The three main factors contributing to the overspend are;<br>1) Saving due to reduced rents payable at Swinegate not achieved.<br>2) Reduced income for vacant property at Blake Street.<br>3) Increased insurance premiums.   |                |
| <b>Property Services Total</b>   | <b>+ 188.0</b> |