

**Annex 2**

**RESOURCES SUMMARY OF VARIANCES - MONITOR 2**

	Expenditure Budget £000	Income Budget £000	Net Budget £000	Projected Outturn £000	Variance £000	%
Director	528	57	471	229	-242	-45.8
Public Services	42,802	40,171	2,631	2,282	-349	-0.8
Financial Services *	2,472	2,307	165	72	-93	-3.8
Audit & Risk Mgt	3,826	3,663	163	267	104	2.7
IT&T	5,672	5,870	-198	-313	-115	-2.0
EASY Project *	2,087	719	1,368	382	-986	-47.2
Property Services	8,920	8,616	304	434	130	1.5
<b>Total</b>	<b>66,307</b>	<b>61,403</b>	<b>4,904</b>	<b>3,353</b>	<b>-1,551</b>	<b>-2.3</b>

Both services marked with a \* are seeking to carry forward their full underspends to complete key projects. This would leave a departmental underspend after carry forwards of £472k

## DIRECTOR OF RESOURCES

	£'000s
Clawback of VF Repayment budgets of £201k for SX3	(-) 201.0
Resources Development fund, It should be noted that £20k has been vired as a contribution towards funding the Comprehensive Performance Assessment fees	(-) 41.0
<b>Total</b>	<b>(-) 242.0</b>

**PUBLIC SERVICES**

	£'000s
<u>Local Taxation management</u>	
minor staffing overspends of £8k on additional allowances	(+) 8.0
<u>Revenues and Benefits Service</u>	
Court costs income is still projected to over achieve for both NNDR and council tax (£-65k), this is based on a slowing down of income for the remainder of the year.	(-) 65.0
It is anticipated that £45k of support from HBS under our existing contract will be required to support the benefits service through the forthcoming service improvements under Easy phase 1.	(+) 45.0
Within the Revenues and Benefits service there are budget pressures on staff teams reflecting a combination of several new initiatives. The requirement to maintain staff flexibility during a period of change has resulted in the use of Agency staff to cover vacant posts & backfill seconded staff. There is also some long-term sickness and maternity leave cover.	(+) 97.0
There are some savings being made in supplies and services to offset costs being incurred in the recovery of outstanding debts which is contributing to the favourable position reported below in respect of the bad debt provision.	(+) 7.0
A Saving was included as part of be 2007/08 budget round and is subject to a restructure of Revenues & benefits area. It has not been delivered because of delays in Easy@York work in the benefits service.	(+) 50.0
Customer relations improvements - part funded by CEXEC Dept with matched funding to come from Resources budgets.	(+) 9.5
<u>Discretionary Housing Payments</u>	(-) 28.0
We anticipate a subsidy of £28k.	
<u>Housing &amp; Council Tax Benefits Subsidy</u>	
Housing benefits is currently projected to underspend by £-132k. This is mainly due to an anticipated level of 100% subsidy for LA error overpayments (£-160k) offset by an increase in Eligible Overpayments (£+28k) for which we receive 40% subsidy. This position may change due to the tight thresholds set for the LA Error overpayments subsidy.	(-) 132.0
Overpayments recovery, change in bad debt provision (£-114k) and removal of historic bad debt provision against SX3 system (£-300k)	(-) 414.0
One off saving, resulting from project work on benefits overpayments recovery, subsidy and other costs	(-) 314.2
<u>Systems Support / Business Support Groups</u>	
The Business support group has a small overspend on staff costs (£+4k) and additional photocopying, printing and stationary costs (£+33k) offset by some additional income (£-25k). The systems team has a staff underspend due to staff vacancies and temporary management arrangements (£-23k)	(-) 11.0
<u>York Customer Contact Centre</u>	
Additional technical telephony consultancy work to improve customer services in YCC	(+) 79.0
Projected staffing overspend of £+40k.	(+) 40.0
<u>Easy project work</u>	
Staff costs on Easy project work to improve services in Revenues teams	(+) 152.0
Backfill costs of Revenues to maintain services during project	(+) 64.0
Planned purchase of specialist queue management equipment and technology to help manages services in preparation for the new Hungate offices One Stop Shop	(+) 50.0
<u>Registrar</u>	
There is a small overspend on staffing (£+3k), advertising and postage are also expected to overspend (£+4k). As previously reported there is a shortfall in statutory fee income (£+28k), offset by over achievement of income on outside marriages (£-18k) and other licences and sales of (£-3k)	(+) 14.0
<u>Cashiers</u>	
A budget pressure for cash receipting software - 3D secure (£+10k) is being off set by small under spends across staff (£-3k) and supplies and services (£-7k)	0.00
<b>Public Services Total</b>	<b>(-) 348.7</b>

## FINANCIAL SERVICES

	£'000s
<u>Payroll</u>	
There are budget pressures on stationery (£+8k) and under achievement in advertisement income is anticipated (£+8k), this is offset by reductions in staff costs (£-8k)	(+) 8.0
<u>FMS Project</u>	
Anticipated project slippage into 2008. It is anticipated that this will be a year end carry forward bid.	(-) 99.0
<u>Accountancy</u>	
Staff underspend due to vacant posts (£-28k) offset by additional allowances paid to staff (£+3k) and staff advertising (£+10k)	(-) 15.0
<u>Financial Services Management</u>	
An underspend is anticipated due to staff vacancies (£-17k), offset by advertising costs (£+10k)	(-) 7.0
<u>Debtors</u>	
Budget pressure on staff costs (£+15k) due to long-term sickness, overspend on stationery due to purchase of pressure seal envelopes (£+3k), overspend for increases in LAMAS annual subscription over budget levels (£+2k)	(+) 20.0
<u>Creditors</u>	
Budget pressure on staff costs (£+8k) offset by reductions in stationery and postage costs (£-8k)	0
<b>Financial Services total</b>	<b>(-) 93.0</b>

## AUDIT & RISK MANAGEMENT

	£'000s
<u>Insurance team</u>	
Staffing budget pressures of £15k, offset by additional income from museum trust of £6k.	(+ ) 9.0
<u>Audit &amp; Fraud services</u>	
As reported at Monitor 1, unfunded expenditure pressures are likely to result in year end overspends on Fraud team travel, subscription and legal fees costs (£+10k). It is also likely that there will be a shortfall (£+10k) in respect of Financial Investigation income in 2007/08 due to the long lead times associated with the kind of complex prosecutions involved in this particular work and knock-on effect of delaying the introduction of this new service until the last quarter of 2006/07	(+ ) 20.0
It must also be noted that additional unbudgeted costs in 2007/08 of up to £+10k may be incurred further to the work now on-going to establish a shared audit service with NYCC to pay for any necessary specialist advice/legal costs involved in progressing the initiative during the current financial year.	(+ ) 10.0
<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 (£+68k) is substantially recovered from service departments and vacancies within the team (£-61k), other small variances total £-2k.	(+ ) 5.0
<u>District Audit</u>	(+ ) 20.0
This service area has responsibility for the corporate DA audit fees. The Audit Commission have indicated that fees could increase by up to £+20k, some of these additional costs may be recovered from other directorates.	
<b>Audit &amp; Risk Management Total</b>	<b>(+ ) 104.0</b>

## INFORMATION TECHNOLOGY & TELECOMMUNICATIONS

<u>MAJOR VARIANCES ABOVE £30K</u>	£'000s
<u>Social Care System replacement programme</u> Project delayed due to the complexity of the programme in both technical & commercial terms	(-) 32.0
<u>FMS Replacement project</u> The latest FMS Project board prediction anticipates a revised go live date during 2008	(-) 162.0
<u>Employment costs</u> Due to long term vacancies, maternity leave, staff working reduced hours and long term staff sickness on reduced pay.	(-) 70.0
<u>Single Assessment Process</u> Lack of available resource within the Directorate to complete the project in year	(-) 51.0
<u>HR &amp; Payroll</u> Release of leasing accruals final payments made in 2006/07	(-) 47.0
 <u>PROJECT CANCELLATIONS</u>	 (-) 15.0
There are a couple of projects which have been cancelled, these are the Homecare monitoring system (£-12k) and the Tenants choice project (£-3k)	
 <u>PROJECT COMPLETED UNDER BUDGET</u>	 (-) 44.0
A number of projects have been completed under budget, contributing £+44k to the projected underspend, these are listed below, DLO CMS Replacement and Work Scheduling (£-5k), Council Performance Management System (£-8k), Electronic Links to the Inland Revenue (£-4k), Registration Software (£-1k), Web Authoring (£-1k), Finance Document Management (£-4k), Admissions On Line (£-2k), Audit & Risk Management Software (£-1k), Document Management Building Services (£-1k), National Street Gazetteer Maintenance Tool (£-1k), Expand Document Management into the Sundry Debtors service area (£-4k), Registration Software Update (£-1k), Work Scheduling (£-2k), Uniform Planning & building control (£-7k), Business Objects for Delphi system (£-2k).	
 <u>REPRIORITISATION OF RESOURCES WITHIN DIRECTORATES</u>	 (-) 37.0
For some projects there has been a lack of Resources available within other directorates - the projects are listed below. Warden Call Hardware (£-4k), Planning & Regs Data Integration (£-5k), Secure Email (£-7k), Integrated Pupil Support Module (£-2k), Doc Management Housing (£-8k), Joint Children's Database (£-10k), Street Server System (£-1k).	
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## INFORMATION TECHNOLOGY & TELECOMMUNICATIONS

Cont.....	
<u>SLIPPED/DEFERRED PROJECTS</u>	
There are a number of projects which have slipped or being deferred for a variety of reasons, these are as follows	(-) 96.0
<p>Asset Management System (£-30k) - The final phase of this project is linked to delayed FMS project - completion anticipated during 2008/09.</p> <p>Highways Upgrade &amp; Extension (£-13k) - Review of business case being undertaken</p> <p>Highways Maintenance Hand Held computers (£-2k) - The solution for this project is dependant upon the outcomes of the corporate mobile working pilot.</p> <p>Early Years Workflow (£-3k) -- Delays due to internal reorganisation within the business</p> <p>Integrated Transport (£-24k) -- Delayed due to internal reorganisation within the business areas.</p> <p>Historic and Natural Environmental Records (£-8k) -- Supplier takeover has delayed project.</p> <p>Leisure Bookings (£-8k) -- Supplier takeover delayed has project completion</p> <p>Looked After Children Computer System (LACCS) and Children's Assessment Framework (CAF) (£-8k) -- Existing System no longer in use awaiting business decision on CAF</p>	
<u>MISCELLANEOUS</u>	
<u>General Income</u>	(-) 37.0
Services undertaken outside the Service Level Agreement which has resulted in non budgeted income	
<u>General Underspends</u>	(-) 28.0
Small values underspends forecast in year across all service areas	
<u>4 Museum Street Printing facilities</u>	(-) 8.0
Printing now moved to the Central Print Unit within the Guildhall - savings realised on hardware maintenance	
<u>Further Education Awards</u>	(-) 6.0
System no longer in use as confirmed by Children's Services	
<u>Election System</u>	(-) 4.0
System replaced	
<u>Additional expenditure items included in Monitor 2 report</u>	
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
Option to purchase 'Green' IT equipment	(+ ) 95.0
<b>IT&amp;T Services Total</b>	<b>(-) 115.0</b>

### EASY PROJECT

	£'000s
Forecast underspend on Phase 1 of Easy following reported reduction in scope and costs of project. Additional savings arising from reduced length of borrowing term.	(-) 500.0
Easy Project costs charged to Public Services	(-) 390.0
Easy Project costs charged to IT&T	(-) 96.0
	(-) 986.0



**PROPERTY**

	£'000s
<u>Asset &amp; Property Management</u>	
There is a projected staff underspend (£-18k) due to vacancies, and also underspending on Photocopying (£-2k). This is being offset by an under-achievement of income for Rating revaluation (£+10k).	(-) 10.0
<u>Facilities Management</u>	
There is a small overspend on staff costs resulting from the use of agency staff (£+3.4k) offset by reductions in subscriptions and photocopying (£-1.4k). There is also a projected shortfall of fee income on capital projects (£+11.6k).	(+ ) 13.6
<u>Strategic Business &amp; Design</u>	
There is a projected overspend mainly due to the high cost of agency staff (£+52k), which is being offset by underspends on supplies and services and consultants (£-23k) and a small amount of additional fee income (£-2k)	(+ ) 27.0
Additional costs in relation to Business Management and support to improve business efficiency, work planning and communication.	(+ ) 50.0
<u>Administration Accommodation.</u>	
A budget pressure of £+37k is projected largely as a result of the £45k saving offered from "surplus leased space" not being achieved.	(+ ) 37.0
<u>Commercial Property Portfolio.</u>	
Premises repairs costs across the commercial portfolio are projected to overspend by £+53k. This is primarily due to East Lodge re-roofing costs (£+15k), Shambles roof repairs & replacement of lead (£+27k), & general maintenance costs (£+11k).	(+ ) 53.0
Within supplies and services there is an underspend on Venture fund repayments (£-27k) and additional facilities management fees recharged in respect of roof repairs at the Shambles.	(-) 26.0
Additional rental income at Gillygate, Misc Props and Farms (£-83.1k) is offset by reduced rent and service charges at Parkside, Kings Court and Coppergate (£+11.6k).	(-) 71.5
<u>Property Transfer &amp; Disposal.</u>	
A £50k overspend has previously been highlighted as a budget pressure due to restrictions on allowable costs against capital receipts. At monitor 1 it was agreed to transfer £50k from reserves to offset these estimated costs. Since then further cost pressures associated with repairs & maintenance on surplus buildings have been identified.	(+ ) 57.0
<b>Property Services Total</b>	<b>(+ ) 130.1</b>