

Corporate Director's Report on Financial Performance

Resources Directorate

Quarter Three 2014/15

Section 1: Revenue

| Service | Net Budget | Forecast (under)/over spend | | | | Change |
|---------------------------|---------------|-----------------------------|-------------|---------------|----------|--------------|
| | | Quarter One | Quarter Two | Quarter Three | Year End | |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Chief Executive | 519 | 0 | 0 | (36) | | (36) |
| Customer Services | 1,900 | 0 | (55) | (58) | | (3) |
| Finance | 1,996 | 0 | 0 | 0 | | 0 |
| Human Resources | 1,235 | (14) | (2) | 0 | | 2 |
| ICT and Corporate Support | 2,787 | 0 | 6 | (25) | | (31) |
| Legal | 946 | 0 | 62 | 53 | | (9) |
| Public Health | 96 | 0 | 0 | 0 | | 0 |
| Strategic Support | 3,519 | (86) | (93) | (122) | | (29) |
| Total | 12,998 | (100) | (82) | (188) | 0 | (106) |

Overview

The forecast Revenue under spend for the Resources Directorate as a whole is £188k against a budget of £13m. This is largely due to additional income and salary savings in Strategic Support, a one off IT support saving in Customer Services and reduced maintenance costs in information technology. This is offset against an over spend in Legal Services due to a projected shortfall in fee income and an increase in the cost of the Coroner's Court.

Over the course of the year the reported under spend position has increased from quarter two £82k and at month eight of £88k. The quarter three forecast position this year is showing a reduction in the under spend compared to last year (£483k under) and 2012 (£224k under); although the trend has still been an increased amount of savings identified between quarter two and quarter three as income targets are revised and contingency budgets released.

Chief Executive

The Chief Executive's budget is showing an under spend of £36k as a result of releasing savings within the contingency budgets in Quarter Three since there has been little call on these budgets within the last quarter; together with a reduction in the supplies and services expenditure, which is a continuing trend and factored into the savings plans for 2015.

Customer Services

Customer Services are forecasting a £58k under spend due to a one off saving in IT costs and increased income from the Registrar's Service. This income forecast is adjusted quarterly based on the actual income we have

had in to date. In Quarter Two this showed a saving of £25k which has increased to £38k due to a further increase on the same period last year. Again, since this has shown to be a continuing trend we have factored this increased income into the savings plans for 2015.

Finance

The Finance Service is forecasting to budget with one-off pressures in the areas of agency and consultancy being managed within the Service utilising savings from increased rental income - which is due to a new agreement for rental on the London Road Industrial Estate - and charitable rates relief which is now not accounted for within the Service; this is included in the savings plans for 2015.

Human Resources

The HR Service is forecasting to budget with in year pressures in the Occupational Health Service being managed by salary savings within the Service. This pressure has remained consistent all year as the Council took a proactive approach to managing sickness, which included referral to the Occupational Health Service.

ICT and Corporate Support (ICT and CS)

The ICT and CS Service is forecasting an under spend of £25k. The change from Quarter Two is due to reduced costs on infrastructure and licences, together with increased income from printing in the last quarter compared with the same period last year. In order to meet future savings targets a programme of proactively reducing maintenance costs and cancellation of unused WAN circuits has commenced.

Legal Services

Legal Services are forecasting an over spend of £53K which is due to increased costs for the Coroner's Service and a projected shortfall in fee income. In addition there are increasing costs within the disbursements budgets as a result of judicial review proceedings although it is anticipated some of these will be recovered. The change in the forecast position is due to an updated forecast on the fee income together with the changes to the disbursements forecast in the light of the two new Judicial Reviews that are currently taking place. The fee income has continued to fall since 2013 and the Service is proactively reducing expenditure where possible in order to manage the shortfall.

Public Health

Public Health is forecasting to budget within the Public Health ring fenced grant. Any under spend will be transferred into the Public Health Reserve as prescribed by the Public Health Grant conditions.

Strategic Support

Strategic Support is currently forecasting an under spend of £122k mainly due to additional income forecast from local land charges (£61k) and the Atomic

Weapons Establishment and Petroleum Storage Depot (£10k) together with salary savings in the Performance Team.

This is an increased under spend of £30k from Quarter Two and £20k from Month Eight, mainly from the increased forecast for land charges income which is as a result of direct marketing to local solicitors in Quarter Three focusing on the quality of the service being provided. The income from land charges has consistently increased over the last two years which has enabled us to factor this into our savings plans for 2015.

Risks identified

None

Section 2: Capital

| Service | 2014/15 Original Capital Programme | 2014/15 Revised Capital Programme | Amount spent/ committed to Quarter Three | Forecast spend in year | Forecast under/over spend in year |
|---------------------------|---|--|--|------------------------------|--|
| | £000 | £000 | £000 | £000 | £000 |
| Chief Executive | 56 | 106 | 65 | 133 | 27 |
| ICT and Corporate Support | 848 | 1,100 | 780 | 990 | (110) |
| Finance | 105 | 295 | 158 | 265 | (30) |
| Strategic Support | 61 | 76 | 56 | 76 | 0 |
| Total | 1,070 | 1,577 | 1,059 | 1,464 | (113) |

67.2% of the programme is spent or committed as at the end of Quarter Three.

Approximately £33,000 consultancy costs in respect of the London Road Industrial Estate (LRIE) will now need to be spent in advance from next year's budget. This is offset by £6,000 expenditure on the Wharf development which will be carried forward to 2015/16.

In Finance, it is unlikely that all the remaining members' bids fund to be allocated at the February meeting will be fully claimed before year end. It is therefore anticipated that approximately £30,000 of this budget will need to be carried forward to 2015/16.

Most major ICT schemes are completed or on schedule for completion in year. However the budget for corporate ICT replacement may be under spent by around £60k this year due to resources being diverted on the Windows 7 upgrade project and the £50k set aside for a replacement backup system may remain unspent as options for this project are still being reviewed.

Strategic Support capital budgets are expected to be fully spent by year end.