

Wiltshire Council

**Cabinet
15 February 2012**

**Organisation & Resources Select Committee
5 April 2012**

Subject: Budget Monitoring Period 9 December 2012

Cabinet Member: Cllr John Brady – Finance, Performance & Risk

Key Decision: No

Relevant extract of the budget monitoring report as presented to Cabinet on 13 December 2011

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Policy, Performance & Partnerships

1. This service is projected to underspend by £0.104 million. There are a number of vacant posts following the bringing together of services from different Departments in to a single service area resulting in a saving of £0.080 million on staffing costs. Other non-pay budgets such as travel are also underspending.

Finance, Procurement & Internal Audit

2. The forecast overspend has increased by £0.100 million from that previously reported. This is a direct result of forecast increased costs against the Housing PFI set up costs budget which drew to a financial close in December 2011.

Legal & Democratic

3. There have been no changes in the previously reported £0.600 million overspend within Legal & Democratic Services. Around £ 0.080 of the overspend relates to the cost of parish and town council elections. The balance reflects a significant increase in the demand for legal services, particularly in relation to protecting vulnerable children. Steps are being taken to reduce this overspend by actively recruiting to permanent positions and reducing the number of locum lawyers.

Communications & Branding

4. The anticipated overspend on Communications & Branding is £0.130 million. This is a change from the previous forecast position of £0.060 million underspend and is due to underestimated costs on Design and Print work within service areas being approved and, following the centralisation of this activity, then moved in from other service areas. This forecast also takes into account the anticipated shortfall on the income target of £0.350 million.

Human Resources & Organisational Development

5. The anticipated under spend of £0.200 million is as a result of good budget management in the HR Project Team, the delay in delivering a small number of strategic projects and the reduction against planned delivery of leadership/management development interventions in 2012. This delay is primarily due to the senior management restructuring and organisational changes that have been ongoing. The strategic projects will be delivered in 2012/2013 budget period and the learning and development uptake will increase.

Information Services

6. Information Services have continued to manage the budget to the bottom line and are now forecasting an underspend of £1 million.
7. This is largely due to a reduction in server and desktop hardware and infrastructure expenditure; these costs have been captured as part of the transformation programme. In future years these costs will once again be met by the revenue budget and not by transformation.
8. There has been a significant saving on the Microsoft and Enterprise agreement for 2011/12. This agreement is on a 3 year contract and will require an audit and account adjustment in June 2013, through a process known as 'True-up', which reflects the installed Microsoft software on our systems.
9. Further underspends have been achieved from recruiting and developing a staff structure to provide internal support and expertise effectively reducing agency and maintenance support contract costs. These have been used to manage increased expenditure in Telecoms and Software Maintenance Support contracts brought about from the transformation programme.

Business Services

10. Business services have effectively reduced the under spend down from £0.100 million to £0.040 million by holding vacancies, reducing expenditure and negotiating a new Health and Safety system for less than forecast.

Strategic Property Services

11. Strategic Property Services is reporting a forecast underspend of £0.300 million. This is unchanged from period 7 report.

Transformation Programme

12. Since the last report the forecast overspend of £0.350 million on Transformation has risen to £0.390 million. Whilst efforts still continue to contain these costs within the service line, previously reported pressures arising from structural problems on business rates, grounds maintenance costs and in year costs from increasing utility prices and shortfall on lettings income have all led to this increased forecast overspend.
13. As reported in October 2011, the overspend within Transformation is being offset by an underspend within Strategic Property Services estimated at £0.300 million which is down to the effective management of the services staffing establishment.

Digital Inclusion

14. An underspend of £0.071 million is projected against the revenue budget for Digital Inclusion. Staffing costs are expected to underspend by £0.054 million, the remainder of the underspend is against travel and project running costs.
15. It should be noted that the financial plan already assumes that £0.070 million will be rolled forward in to 2012/2013. The over position will be reviewed at final outturn to see whether a request could be made to roll this further underspend forward.

Corporate Directors

16. This new heading has been introduced to reflect the direct costs controlled by the corporate directors. One area that is currently forecast to underspend is the business support function that is projected to underspend by £0.040 million.

Corporate

17. An underspend of £1.500 million is forecast as a result of re-programming of capital expenditure and the revenue financing cost associated with those. This is unchanged from the previous report. The level of specific provisions has been reviewed and it has been considered prudent to increase by £0.340 million to reflect specific claims which are currently under negotiation.

Housing Revenue Account

18. Budget figures on the Housing Revenue Account have been reviewed as part of the regular monitoring process. At present, the account is reporting a surplus of £0.485 million against a budgeted surplus of £0.411 million, an improvement since last reported of £0.074 million. This is largely as a result of reviewing forecasts based on more accurate spend to date trends.

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Appendices:

Appendix A: Revenue Budget Movements 2011/2012
Appendix B: Service Area Movements 2011/2012
Appendix C: Detailed Service Area Budget Statements
Appendix D: Forecast Variance Movement