

a: Revenue Budget Monitor

	Revised Budget	Forecast Outturn	Outturn Variance	Of which :	
				Covid	Non Covid
P09	£50.7m	£59.3m	£8.6m overspend	£9.0m	(£0.4m)
P08	£50.7m	£59.2m	£8.5m overspend	£8.6m	(£0.1m)

May	June	Jul/Aug	Sept	Oct	Nov	Dec	Jan	Feb
7.6	5.4	8.7	7.7	8.4	8.5	8.6		
	▲	▼	▲	▼	▼	▼		

Position by Division

Period 9 Budget Monitoring - Summary

General Fund	2020/21 - Full Year			P9 Forecast Variance				Movement vs P8: Increase /(Decrease)		
	Revised Budget	Revised Outturn	Revised Outturn Variance	COVID-19 Exp	COVID-19 Inc	COVID	Non-COVID	COVID	Non-COVID	Total Movement
	£000s			£000s		£000s		£000s		
Resources										
Digital Transformation	15,489	15,595	106	570	335	905	(799)	390	(57)	333
Legal and Democratic Services	8,164	8,819	655	738	322	1,060	(405)	88	(140)	(52)
Finance	9,015	13,772	4,758	3,527	1,985	5,512	(754)	(88)	15	(73)
HR, Workplace & Organisational Design	14,654	17,752	3,099	600	836	1,436	1,663	0	(39)	(39)
Policy, Strategy & Partnerships	3,413	3,362	(50)	60	0	60	(110)	0	(54)	(54)
Total Resources	50,734	59,300	8,566	5,495	3,478	8,973	(407)	390	(275)	115

Key Messages:

The full year forecast position has deteriorated by £0.1m this month so that the forecast now shows a net adverse variance to budget of £8.6m. This is driven by £9.0m of COVID-19 related expenditure against which there are £(0.4)m of forecast underspends.

Material movements across the Resources Directorate in Period 9 are -

- The Digital Transformation division has deteriorated its forecast from a previous net £(0.2)m underspend to a £0.1m overspend. This £0.3m movement is driven by new COVID-19 pressures within the IT Transformation Programme, specifically extensions to Window 7 licences at an additional cost of £0.2m due to the delayed rollout of new laptops and a £0.1m increase in agency resourcing costs due to delays to workstream projects within the programme.
- Legal and Democratic Services has decreased its forecast by £0.05m reflecting £0.14m reduced Legal Services caseload costs offset by a £0.09m increased loss of Registrars income due to latest COVID-related restrictive measures.
- Finance division has improved its forecast position by a net £0.07m which is for the main part driven by £0.09m of additional new burden funding income.
- The HR, Workplace and Organisational Design division shows no significant change overall and continues to forecast a £3.1m overspend. However, the following movements in forecasts (all categorised as Non-COVID) within the division's services are of note:
 - £0.1m reduction in Building Practice fee income due to delays in capital projects
 - £0.1m increase in Building Repairs & Maintenance expenditure
 - (£0.1m) increase in the internal recharge of Fleet Services across the Council

- (£0.1m) increase in the contribution to the Council's General Fund Annual Leave Top Up scheme (staff holiday purchase scheme) reflecting the latest assessment of that the proportion representing HRA & DSG contributions is reduced this year.

Savings Delivery

20/21 Resources Directorate Savings Target (£'000s):							3,148															
	This month			Last month			Top 5 largest savings at risk in 20/21 (ordered by size of saving at risk)															
	Total value of savings (£'000s)	Value at risk (£'000s)	Proportion at risk	Total value of savings (£'000s)	Value at risk (£'000s)	Proportion at risk																
No - savings are at risk	0	0	n/a	0	0	n/a	<table border="1"> <thead> <tr> <th>ID</th> <th>Name of Proposal</th> <th>Value at Risk in 20/21 (£'000)</th> </tr> </thead> <tbody> <tr> <td></td> <td>No savings reporting as at risk in 20/21</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	ID	Name of Proposal	Value at Risk in 20/21 (£'000)		No savings reporting as at risk in 20/21										
ID	Name of Proposal	Value at Risk in 20/21 (£'000)																				
	No savings reporting as at risk in 20/21																					
Yes - savings are safe	274	0	0%	1,832	0	0%																
SAVING CLOSED - CONFIRMED AS 'SECURED & DELIVERED'	2,874	0	0%	1,426	0	0%																
NO RAG PROVIDED	0	0	n/a	0	0	n/a																
Grand Total	3,148	0	0%	3,258	0	0%																
n/a - represents one off savings or mitigations in previous year	-1,340	0	0%	-1,340	0	0%	<table border="1"> <thead> <tr> <th colspan="3">Mitigated savings from previous years' that remain 'due' for delivery this year (£m)</th> </tr> </thead> <tbody> <tr> <td>Amount due from previous year(s):</td> <td>£</td> <td>1.60</td> </tr> <tr> <td>Amount reported at risk:</td> <td>£</td> <td>-</td> </tr> </tbody> </table>	Mitigated savings from previous years' that remain 'due' for delivery this year (£m)			Amount due from previous year(s):	£	1.60	Amount reported at risk:	£	-						
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Amount due from previous year(s):	£	1.60																				
Amount reported at risk:	£	-																				
Accelerated efficiencies (balancing line)	268	0	0%	268	0	0%																
WRITTEN OFF	0	0	n/a	0	0	n/a																
Grand Total	2,076	0	0%	2,186	0	0%																

Key Changes since last month:

1. A number of in year one-off mitigations have been marked as 'secured and delivered' increasing the total 'closed' from £1.4m to £2.8m.
2. The savings target has been adjusted down by £110k after it was identified that a BIF saving target had been incorrectly shown in the Resources Directorate target, after an earlier move to People Directorate. This change has been processed, but is subject to DE approval.

b: Risks and Opportunities

Division	Risk or Opportunity	Description of impact	Risk/(Opportunity) £	Likelihood (%)	Net Risk/(Opportunity) £
Finance	Risk	Annual LA errors for 19/20 going above the lower or upper threshold following external audit review. Risk estimated to be between £400k to £500k.	450,000	50%	225,000
Finance	Opportunity	Reduction in Subsidy income received, relating to the LA Error going above the lower or upper threshold for the previous financial year will be met from earmarked reserves.	(450,000)	50%	(225,000)
Finance	Risk	Net risk if the actual net Housing Benefit payments are higher than forecast	470,000	45%	213,000
Finance	Opportunity	If the actual net HB payments are higher than forecast the net risk can be met from earmarked reserves	(470,000)	45%	(213,000)
Registrars	Risk	Income streams have increased as now able to offer ceremonies etc. However, the current forecast assumes that there will be NO further lockdowns following the current 3rd lockdown	810,000	10%	81,000
Land Charges	Opportunity	If number of searches conducted reach the same levels as last year	(46,628)	50%	(23,314)
Legal Team	Opportunity	Forecast assumes that locums will be engaged until the end of the financial year. This is dependent on the implementation of the team re-structure	(280,000)	25%	(70,000)
					(12,314)

c: Capital

Approved Budget £17.7m	Revised Budget £17.9m	Expenditure to Date £14.6m 82% of Budget	Forecast Outturn £16.9m 94% of budget	Outturn Variance (£1.1m)
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Gross Expenditure by Programme		Current Year (FY2020)				Analysis v Budget	
Ref	Scheme	Budget	Budget Manager Forecast	Variance based on budget manager forecast		Expenditure YTD	Current Year
		£000s	£000s	£000s	%		
Resources							
PL21	Building Practice Service - Essential H&S	2,200	2,190	(10)	0%	1,168	53%
PL27	Vehicle Fleet Replacement Programme	1,244	601	(643)	-52%	304	24%
RE01	ICT Refresh Programme	5,643	5,343	(300)	-5%	4,950	88%
RE02	ICT Development - HR/Finance	517	517	0	0%	239	46%
RE03	ITTP – IT Transformation Programme	8,317	8,179	(138)	-2%	7,894	95%
XX02	Technical Accounting (Year end adjustments)	0	80	80	0%	80	
Total Resources		17,921	16,909	(1,011)	-6%	14,635	82%

Key Messages:

- The ICT Refresh capital programme has reduced its current year forecast by £0.3m and reprofiled this into 21/22. This rephasing reflects revision to the timings of spend on new laptops mainly due to distribution delays as a consequence of COVID-19.
- The IT Transformation Programme has reduced its current year forecast by £0.1m to reflect slippage in project delivery. This £0.1m has been reprofiled in to 21/22 so that latest forecast expenditure for 21/22 is now £0.3m.
A recent detailed review of the ITTP Capital spend has identified £0.3m costs incurred as a consequence of COVID-19. These costs will be included in the next return to MHCLG. Note that this does not reduce the programme's forecast spend against the approved budget envelope. The programme continues to forecast 100% spend.
- ITTP actual spend plus commitments is showing a capital programme overspend at P9 of £0.3m due to some historic purchase orders with balances remaining open. The Finance Team is working with the Programme Manager to identify and close all out of date PO's to bring the overall programme position back to budget, as forecast.