

a: Revenue Budget Monitor

	Revised Budget	Forecast Outturn	Outturn Variance	Of which :	
				Covid	Non Covid
P04	£52.9m	£55.9m	£3.0m overspend	£3.7m	(£0.7m)
P02	£53.1m	£56.0m	£2.9m overspend	£3.5m	(£0.6m)

May	Jun/Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
2.9	3.0							
	▼							

Position by Division

SERVICE NET EXPENDITURE SUMMARY

	2021/22 - Full Year				Variance Analysis			
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	COVID-19 Exp	COVID-19 Inc	Gross COVID Impact	Non-COVID
	£000s			£000s	£000s			
Resources								
Digital Transformation	15,305	14,765	14,980	215	221	155	376	(161)
Legal and Democratic Services	8,686	8,396	8,342	(53)	58	0	58	(111)
Finance	8,885	8,935	11,848	2,913	2,199	853	3,052	(139)
HR, Workplace & Organisational Design	16,344	16,944	16,878	(65)	0	162	162	(227)
Policy, Strategy & Partnerships	3,436	3,835	3,835	0	36	0	36	(36)
Total Resources	52,655	52,875	55,884	3,009	2,514	1,170	3,684	(675)

Key Messages:

Of note across the divisions:

- Digital Transformation** continues to forecast a net £0.2m overspend. As a consequence of COVID-19, in addition to P2's forecast requirement for £0.1m of additional Zoom licences and £0.1m for additional phone numbers and phone usage, there is this month the forecast loss of £0.1m Translation Services net income. This was initially classified at P2 as Non-Covid. As a consequence of this reclassification, the forecast Non-COVID 19 favourable variance has therefore increased by (£0.1m) to almost (£0.2m). In addition, since P2, £0.4m employee budget has been vired out from the Web Delivery Team under Digital Transformation to PR, Consultation & Engagement in the PSP Division reflecting a change in line management for team members.
- Legal and Democratic Services** is forecasting a (£0.1m) underspend at P4, an improvement of (£0.1m) from P2. This is due mainly to improved internal income expectations in Legal Services. In addition, since P2, the Lord Mayor's Office budget of £0.2m budget has been transferred in to Legal and Democratic Services from the HR, Workplace & Organisational Design Division.
- Finance** continues to forecast a £3.0m overspend. The Benefits Service is forecasting a £2m pressure which relates to ongoing emergency and hardship fund payments due to COVID-19. The Revenues

Service is forecasting a shortfall of £0.9m, relating to the ongoing loss of summons and overpayments income. It continues to be assumed at this time that recovery will recommence in the second half of the year.

- **HR, Workplace and Organisational Design** division reports little move in forecast over the previous couple of months.

It is noted here that in the recent absence of the Deputy Mayor in P3 it was necessary for the S151 Officer to approve an Officer Executive Decision as a matter of urgency for a second 12 month extension to the current Office Supplies contract (12 month value representing £0.2m). This value reflects additional spend on PPE due to Covid-19 since March 2020.

- **Policy, Strategy and Partnerships** division is also reporting little move in its forecast this month.

Savings Delivery

B. Resources Dashboard

21/22 Resources Directorate Savings Target (£'000s):

3,493

	This month			Last month			Top 5 largest savings at risk in 21/22 (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	ID	Name of Proposal	Value at Risk in 21/22 (£'000)
No - savings are at risk	2,125	1,990	94%	2,100	1,980	94%	21_NS_04	Third Party Savings	£ 500
Yes - savings are safe	1,088	110	10%	1,113	110	10%	21_NS_05	Corporate Landlord Delivery Model	£ 500
SAVING CLOSED - CONFIRMED AS 'SECURED & DELIVERED'	280	0	0%	280	0	0%	21_NS_03	Common Activities	£ 380
NO RAG PROVIDED	0	0	n/a	0	0	n/a	21_New03	Centralisation of contract management	£ 250
Grand Total	3,493	2,100	60%	3,493	2,090	60%	NEW-4 Amended	Digital Transformation savings (Replaces legacy rollovers from 1920)	£ 140
n/a - represents one off savings or mitigations in previous year	-1,448	0	0%	-1,448	0	0%	Mitigated savings from previous years' that remain 'due' for delivery this year (£m)		
WRITTEN OFF	1,205	0	0%	1,205	0	0%	Amount due from previous year(s): £ 0.12		
Grand Total	3,250	2,100	65%	3,250	2,090	64%	Amount reported at risk: £ -		

Key Changes since last month:

1. There has been an increase in P4 in the value of savings reporting at risk, this is due to the following savings line now reporting at risk:

*21_New02 Oxygen Finance (indicative) (£25k target, of which £15k deliverable leaving 10k at risk) . It is understood the remaining amount can be mitigated/ absorbed via the service (PMO will request change request).

Key messages/Comments

1. There are a number of savings continuing to report large values at risk (mostly cross cutting savings) however some of these have now presented savings plans to Delivery Exec which have been endorsed. It is anticipated that many will reduce their savings at risk for next month. (PMO will follow up with appropriate change requests where needed).

2. Given delays /changes to approach for the Digital Transformation Programme, Resources EDM should consider if alternative savings can be identified to mitigate in the short term.

3. Note nil return means that some of the savings reported at risk are understood to be safe, but reporting not updated to reflect the latest plans.

4. Note that the Green RAG for Lord Mayor's chapel saving relates to a mitigation identified by the service. A change request approval is being sought 11/08.

b: Risks and Opportunities

Division	Risk or Opportunity		Risk / (Opportunity) £	Likelihood (%)	Net Risk / (Opportunity) £	Detailed Comment
Digital Transformation	Risk	Digital Transformation - Contracts	600,000	100%	600,000	Microsoft Desktop Licensing agreement new contract commences July 2021 and due both to an increase in the unit price of the licences and also to an increase in the total number of licences required over the lifetime of the contract, there is a confirmed additional expenditure, compared to 20/21 of £0.6m in 21/22
Digital Transformation	Risk	Digital Transformation - Contracts	300,000	80%	240,000	Microsoft Azure Licensing agreement new contract commenced May 2021 for the continued use of Azure Cloud based infrastructure. The contract value commitment in 21/22 is £0.3m greater than 20/21 actual and in addition there is a delay in switching off of legacy support tools that will be replaced by Azure as this awaits the progress of the DTP business case.
Digital Transformation	Risk	Digital Transformation - Contracts	237,000	100%	237,000	Resources Legacy issue saving of £140k and contribution to Print Scanning & Strategy budget under Print & Mail project. £97k to FM both vined from existing Digital Transformation contract budgets. These items represent a saving offered up by the Division without an existing current plan to reduce spend.
Digital Transformation	Opportunity	Digital Transformation - Contracts	(837,000)	50%	(418,500)	Whilst the DTP is progressing, in the short term, solutions such as stopping non-essential unified support contracts and reduction in staff numbers will be examined.
Digital Transformation	Opportunity	Digital Transformation - Staffing	(200,000)	50%	(100,000)	Systems Support Team transferred from People with £0.2m pressure in 20/21. DT confirmed that staffing pressure will be offset in 21/22 by fully absorbing into existing DT staffing budgets.
Digital Transformation	Risk	Citizens Services - Income	125,000	100%	125,000	Year on year overachievement of Citizens Services income target resulted in £0.125m being used as contribution to write-off of Resources carried forward legacy issues. This overachievement may not be sustainable ongoing.
Digital Transformation	Opportunity	Citizens Services - Income	(125,000)	75%	(93,750)	To explore ways of increasing income levels during 21/22
Digital Transformation	Risk	Digital Transformation - Income	370,000	100%	370,000	Staff charged to ITTP have been retained but there is currently no confirmed funding stream to cover the additional costs. If no funding stream identified then the DT BAU budget will pick up the pressure.
Digital Transformation	Opportunity	Digital Transformation - Income	(370,000)	67%	(247,900)	Awaiting progress of Digital Transformation Programme business case to confirm recharging of DT BAU staff time plus identification of further internal projects to recharge staff time to.
Digital Transformation	Risk	Digital Transformation - Contracts			0	In 20/21, there was an increase in Telephone Communications spend due to increase in smart phone & dongle numbers and usage charges through staff working at home because of COVID. The DT 21/22 forecast has £0.150m as a full year COVID pressure through retained increase in numbers. If grant MHCLG grant does not cover this retained pressure (or only covers, say 6 months) then there will be an additional pressure to the DT BAU forecast position.
Digital Transformation	Risk	Digital Transformation - DTP	1,100,000	100%	1,100,000	Costs currently committed to DTP before the business case and funding has been approved. Current commitments are £0.330m for intelligent-I delivery, £0.276m Adoption Change Management Team & £0.094m Consultant Resources. In addition a baseline position is being prepared for a Windows 10 project team costing £0.4m to complete the roll-out of new laptops.
Digital Transformation	Opportunity	Digital Transformation - DTP	(1,100,000)	100%	(1,100,000)	DTP business case is approved and funding becomes available to cover the already committed costs
HR, Workplace & Organisational Development	Risk	Holiday Purchase Scheme	416,000	100%	416,000	People Operations - Low take up of ACU - holiday purchase scheme due to higher than normal levels of carried forward leave through consequences of COVID. Shortfall based on the a straight line forecast of April & May actual less 20/21 confirmed DSG / HRA repayment
HR, Workplace & Organisational Development	Opportunity	Change Services - Employees	(100,000)	100%	(100,000)	Current staffing levels indicate an underspend across all employees (both permanent & agency)
HR, Workplace & Organisational Development	Risk	Change Services - Employees	100,000	100%	100,000	In the event of additional work being approved by CLB (as per experience in previous years) then additional capacity will be needed.
HR, Workplace & Organisational Development	Opportunity	FM Service area	(400,000)	50%	(200,000)	One-off in year opportunity over and above £(0.2)m in P2 forecast
Total					927,850	

c: Capital

Approved Budget £8.6m	Revised Budget £9.0m	Expenditure to Date £1.5m	Forecast Outturn £6.3m 70%	Outturn Variance (£2.7m)
----------------------------------------	---------------------------------------	--------------------------------------------	------------------------------------------------	-------------------------------------------

Gross expenditure by Programme		Current Year (FY2021) - Period 4				Performance to Budget	
Ref	Scheme	Budget	Expenditure to Date	Forecast	Variance	Expenditure to date	Forecast
Resources							
NH06A	Bristol Operations Centre - Phase 2	348	7	348	0	2%	100%
PL21	Building Practice Service - Essential H&S	2,787	497	2,695	(92)	18%	97%
PL27	Vehicle Fleet Replacement Programme	4,053	239	1,377	(2,676)	6%	34%
RE01	ICT Refresh Programme	1,571	461	1,571	0	29%	100%
RE03	ITTP – IT Transformation Programme	219	285	219	0	130%	100%
RE06	Return to Workplace ICT equipment – Covid Response Fund	0	1	99	99		
Total Resources		8,978	1,491	6,308	(2,670)	17%	70%

Key Messages:

- The Vehicle Fleet Replacement Programme now anticipates that delivery of vans due in March 2022 will now be rescheduled in to 2022/23.