

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2010

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2010/11

PORTFOLIO Resources

BUDGET	28,520,450
less virement to PRE	(175,000)
TOTAL CASH LIMIT	28,345,450

CHIEF OFFICER Various

MONTH ENDED December 2010

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING	BUDGET Profile 2010/11			
		Budget Profile To End December 2010	Actual To End December 2010	Variance vs. Profile To December 2010	
		£	£	£	%
1	Miscellaneous Expenses			0	-
2	Project Management, Risk & Insurance	151,740	402,196	250,456	165.1%
3	Procurement Service	161,478	46,507	(114,971)	(71.2%)
4	Internal Audit	287,244	305,232	17,988	6.3%
5	Customer Services	1,104,984	1,100,563	(4,421)	(0.4%)
6	Community Involvement, Empowerment & Development	937,462	996,233	58,771	6.3%
7	Legal Services	598,690	855,419	256,729	42.9%
8	Financial Services	4,387,638	4,184,633	(203,005)	(4.6%)
9	Human Resources	2,284,208	2,110,802	(173,406)	(7.6%)
10	In House Agency	(108,000)	(83,306)	24,694	(22.9%)
11	IT Services Unit	3,940,166	3,083,828	(856,338)	(21.7%)
12	AMS	1,615,952	938,629	(677,323)	(41.9%)
13	Landlords Repairs & Maintenance	1,584,405	310,388	(1,274,017)	(80.4%)
14	Carbon Reduction Commitment	0	0	0	
15	Staff Restaurant	68,400	71,091	2,691	3.9%
16	Spinnaker Tower	0	(181,568)	(181,568)	-
17	MMD Crane Rental	0	(146,575)	(146,575)	-
18	Administration Expenses	0	6,960	6,960	-
19	Council Tax Benefits	(38,322)	(830,468)	(792,146)	2067.1%
20	Housing Benefit - Rent Allowances	(426,222)	(883,314)	(457,092)	107.2%
21	Housing Benefit - Rent Rebates	(172,422)	(960,766)	(788,344)	457.2%
22	Local Taxation	216,531	626,245	409,714	189.2%
23	Benefits Administration	2,341,863	3,572,541	1,230,678	52.6%
24	Discretionary Non-Domestic Rate Relief	0	0	0	-
25	Land Charges	(60,467)	(62,459)	(1,992)	3.3%
26	Democratic Representation & Management	1,115,702	1,230,068	114,366	10.3%
27	Corporate Management	1,192,282	1,208,806	16,524	1.4%

TOTAL	21,295,856	18,060,625	(3,281,627)	(15.4%)
--------------	-------------------	-------------------	--------------------	----------------

Total Value of Remedial Action (from Analysis Below)	(187,500)
---	------------------

Total Net Forecast Outturn (after remedial action)	28,345,450	28,330,100	(15,350)	(0.1%)
---	-------------------	-------------------	-----------------	---------------

Total Budget	Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
		£	%	
£	£	£	%	
200,900	157,500	(43,400)	(21.6%)	M
212,300	313,700	101,400	47.8%	M
316,500	312,200	(4,300)	(1.4%)	L
438,300	438,300	0	0.0%	L
1,462,200	1,456,900	(5,300)	(0.4%)	L
1,236,100	1,234,600	(1,500)	(0.1%)	L
799,800	1,010,200	210,400	26.3%	H
5,689,250	5,681,700	(7,550)	(0.1%)	M
3,115,400	3,108,500	(6,900)	(0.2%)	L
(144,000)	(128,100)	15,900	(11.0%)	M
5,309,400	5,289,400	(20,000)	(0.4%)	M
2,042,800	1,817,800	(225,000)	(11.0%)	M
2,162,700	2,162,700	0	0.0%	H
		0		M
91,200	91,200	0	0.0%	L
(400,000)	(320,000)	80,000	(20.0%)	H
(195,400)	(195,400)	0	0.0%	L
5,000	7,000	2,000	40.0%	M
(11,300)	(11,300)	0	0.0%	M
(568,400)	(392,500)	175,900	(30.9%)	H
(235,100)	(354,800)	(119,700)	50.9%	H
1,553,900	1,538,400	(15,500)	(1.0%)	L
1,902,500	1,899,400	(3,100)	(0.2%)	M
184,500	184,500	0	0.0%	L
(80,600)	(48,600)	32,000	(39.7%)	M
1,646,900	1,617,700	(29,200)	(1.8%)	M
1,610,600	1,646,600	36,000	2.2%	M

TOTAL	28,345,450	28,517,600	172,150	0.6%
		(187,500)		
Total Net Forecast Outturn (after remedial action)	28,345,450	28,330,100	(15,350)	(0.1%)

Note All figures included above exclude Capital Charges, Levies and Insurances

Income/underspends should be recorded in brackets and expenditure/overspends without

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2010/11

Item No.	Reason for Variation	Variance £
1	Within Miscellaneous Expenses, Trade Union Secondments has a budget of £91,300 but not all posts available have been filled this year, hence this budget is forecast to be £44,200 underspent.	(43,400)
2	Additional funding from the MTRS reserve was approved by the City Council on the 16th December 2009 to cover the costs of seconded employees working on the efficiencies agenda.	101,400

Remedial Action	Value of Remedial Action
No service action required. An equivalent sum will be released from the MTRS Reserve at the year end.	(99,300)

7	Legal Services is currently forecast to be £210,400 overspent. This is attributable to three factors; Employees is forecast to be overspent by £213,200 caused by two members of staff that have been off with long term sickness, (these posts have been covered by locums and short term appointments) and the cancellation of the BSF capital project. Income from Housing Revenue work has fallen compared to 2009/10 as some of the work previously managed by Legal staff is now dealt with by Housing officers, the income shortfall is currently estimated to be £55,600. The shortfall in fee income from capital work is now estimated to be £24,000 compared to the £6,000 forecast in the second quarter report as capital fee income has been in decline during the last quarter. The impact of staff resources that have been transferred to other work continues to realise reductions in expenditure on External Legal advisors, particularly in the work associated with Childcare cases.	210,400
8	There is a reduction in employee costs as posts are held vacant in preparation for potential savings required as part of the 2011/12 Budget. The service is also expecting to reduce expenditure on supplies and services.	(7,550)
10	The number of requests for, and hours provided by temporary staff via the Internal Agency has noticeably reduced this year. Historically, the number of hours of temporary staff provided over the summer months increases, but this has not occurred this year but has instead been falling. This trend reflects the pressure to contain costs within existing cash limits. A new Agency framework was introduced in September 2010 and has a 2% rebate on all expenditure with external agencies built into their contract terms. The value of expenditure with the external providers was expected to generate a rebate sufficient to cover the shortfall in fee overhead in a full year. However, based on current levels of expenditure this will not be achieved	15,900
11	The new Telephony system is not yet installed and operational, the ongoing revenue costs associated with the system will not be required for the full year. A saving of £20,000 is currently forecast.	(20,000)
12	The AMS Business Division is forecast to be £225,000 underspent (after actioning the virement to offset the overspend in the Property portfolio in PRED as approved in the Q2 Monitoring report). This underspend is due to reduced staffing and other costs arising from various posts held vacant and a reduction in expenditure on supplies and services in anticipation of the 2011/2012 budget reductions.	(225,000)
16	The profit share payable by Heritage Projects Ltd to the City Council under the terms of the lease is now forecast to reduce by £100,000 in 2010/11. This reflects a continuation in the fall in visitor numbers to the Spinnaker Tower attraction this year.	80,000
20	The rent allowances budget is forecast to show an adverse variance due to the Northgate system identifying a number of rent reviews that could result in a subsidy reduction. The value of benefits paid has increased in recent years due to economic factors. Total expenditure on rent allowances is around £63M and subtle variations in factors such as the subsidy received, benefit payments owed back or debt written off can create significant variances in expenditure.	175,900
21	The rent rebates budget is forecast to show a favourable variance due to a lower than anticipated bad debt provision. This is because the level of older debt which attracts the highest proportion of provision has decreased. Total expenditure on rent rebates is around £36M, given the size of the sums involved subtle variations in factors such as the subsidy received, benefit payments owed back or debt written off can create significant variances.	(119,700)
22	A number of vacancies have occurred during the year. Careful vacancy management is being used by the Revenues and Benefits service to offset overspends within other areas.	(15,500)
25	The Land Charges budget is now forecast to be £32,000 overspent as following a government ruling the Council can no longer charge for personal searches. As a consequence, income is forecast to be £38,000 lower than that included in the original budget.	32,000
26	The forecast underspend on Democratic Representation and Management is mainly attributable to a temporary increase in recharge to the HRA for project work and vacancies within Democratic Services. These savings are partially offset by net ongoing adverse variances on Members Expenses, Committee meetings and City Solicitor's budget outlined in previous monitoring reports	(29,200)
27	Within Corporate Management the budget allocated to the Chief Executive and Secretariat staff assigned to the Strategic Directors is forecast to be £54,000 over budget. This is due to slippage in the delivery of an approved budget saving in respect of a review of senior management support across the whole of the City Council. Vacancies within the Strategy service partially offset the impact within the overall Corporate Management budget.	36,000
	Other minor variations on the remaining budget heads.	(19,100)
	TOTAL PROJECTED VARIANCE	172,150

	The Head of Legal, Licensing and Registrar's has recently completed a review of the staff structure of Legal Services. The new structure aims to realise savings in employee costs from April 2011. The work required to identify the incidence of savings in external spend is complete. The Head of Service remains confident that the savings secured to date will be sufficient to fund the net additional service costs outlined in this budget monitoring report. However, these savings will be held within other service budgets and negotiations to transfer relevant shares to Legal Services have not yet concluded.	
	Discussions are ongoing with the operator with a view to finding measures that will increase visitor numbers and reverse this trend.	
	This is deemed to be a 'windfall' variance that is outside the direct control of the service manager. It will be offset by underspends within housing benefit rent rebates.	(175,900)
	This is deemed to be a 'windfall' variance that is outside the direct control of the service manager. It will be used to offset overspends within housing benefit rent allowances budget.	119,700
	This will be used to mitigate overspends within other areas of the service.	
	Income derived from Land Charges service is deemed to be a "windfall" variance that is outside of the direct control of the service manager. The shortfall in income will be covered by a transfer from corporate resources if this cannot be contained within the Resources Portfolio budget.	(32,000)
	The forecast overspend in respect of Committee Meetings and Members Expenses has been funded by savings from other budget heads within this Portfolio under the control of the Head of Customer & Community Services. In respect of the forecast overspend on the City Solicitor's budget, the target saving of £24,000 will be incorporated into the review of senior management support as outlined under item 27 below. The saving arising from the project work income has offset the reported shortfall in the delivery of savings relating to the review of senior management support outlined in item 27 below	
	The Chief Executive in conjunction with the Section 151 Officer has identified savings within the Democratic Representation and management budget which substantially meet the shortfall identified in the current financial year.	
	TOTAL VALUE OF REMEDIAL ACTION	(187,500)

Note Remedial Action resulting in savings should be shown in brackets