

## Appendix A5

### CORPORATE SERVICES

Revenue Monitoring
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Approved budget as reported at Quarter 2	£4,654,300
Adjustments to budget	<u>£0</u>
	£0
Revised Approved Budget Quarter 3	<u>£4,654,300</u>
Forecast Outturn at 31 March 2011	£4,931,000
Forecast over / (under)spend	£276,700

\*£70,000 to be met by a transfer from earmarked reserves so net position is an over-spend of £206,700

The significant issues arising during the period April to December that Members should consider are:

<b>Service</b>	<b>Approved Budget</b>	<b>Q1 Forecast</b>	<b>Q2 Forecast</b>	<b>Q3 Forecast</b>	<b>Potential Budget Saving</b>	<b>Q3 Forecast Year End Variance</b>	<b>Explanation including assumptions made and risk assessment of the forecast</b>
Housing Benefits Payments	£6,700	£6,700	£6,700	£35,300	£0	£28,600	Housing Benefit caseloads with a value of £5m have increased 1.3% above projections. Additionally there have been nationwide amendments to Housing Benefit schemes which have resulted in increased entitlements from September. Furthermore, the fraud prevention team have identified a fraud which has resulted in a loss of subsidy amounting to £13,920 that may be re-paid in future financial years.
Pensions	£121,700	£121,700	£86,700	£86,700	£0	(£35,000)	This is expenditure payable to the Leicestershire Pension Fund relating to the early retirement of past employees. The forecast expenditure for the year is based upon the most up to date schedule of payments due.
Corporate Insurance	£164,400	£130,000	£130,000	£130,000	£0	(£34,400)	Insurance premiums were renegotiated during the year and this realised savings against the budget.

<b>Service</b>	<b>Approved Budget</b>	<b>Q1 Forecast</b>	<b>Q2 Forecast</b>	<b>Q3 Forecast</b>	<b>Potential Budget Saving</b>	<b>Q3 Forecast Year End Variance</b>	<b>Explanation including assumptions made and risk assessment of the forecast</b>
Corporate Finance	£643,800	£624,100	£593,400	£519,500	£0	(£124,300)	Significant savings have been made due to vacancies throughout the year with minimal use of agency staff despite budgetary provision being available. Additionally, £20,000 has been allocated to assist towards the IFRS transition which is intended to be funded from the Invest to Save reserve and if spent this will result in a saving of £144,300. These savings can help facilitate Agresso Development (see below) and will also contribute towards the funding of the Strategic Director post (see below). The increase from Qtr 2 represents vacancy savings.
Human Resources	£283,900	£283,900	£297,400	£306,200	£0	£22,300	As reported in Quarter 2 an over spend in relation to agency staff employed to aid delivery of the Agresso HR system. This is partially offset by the saving in the Training Budget arising from not filling the vacant Training and Development post.

<b>Service</b>	<b>Approved Budget</b>	<b>Q1 Forecast</b>	<b>Q2 Forecast</b>	<b>Q3 Forecast</b>	<b>Potential Budget Saving</b>	<b>Q3 Forecast Year End Variance</b>	<b>Explanation including assumptions made and risk assessment of the forecast</b>
Training, Conferences and Seminars	£207,000	£286,000	£255,500	£255,500	£0	£48,500	As reported in Quarter 2 the overspend relates to a committed coaching programme "Ignite" for the Leadership Team and a Foundation Management Programme for middle managers and supervisors. These programmes are being funded from the Invest to Save reserve and current projections indicate that a maximum of £50,000 may be required this financial year. Management are currently reviewing all training requests that do not relate directly to continuing professional development, and which are non essential.
Information Technology Department	£366,900	£359,400	£400,400	£374,700	£0	£7,800	Previous overspend has been mitigated as a result of a senior post being reduced from full to part-time.
IT Operational Support	£885,800	£870,100	£887,500	£925,500	£0	£39,700	A variety of under and over spends relating to computers (hardware, software, licenses etc) have been pressured by costs relating to the Agresso system.
IRIS (Agresso)	£0	£112,900	£130,900	£156,600	£0	£156,600	This spend is for the essential continued development of Agresso over and above what was initially anticipated. This is non recurring expenditure and will generate savings in future years. Savings have been made in Corporate Finance to part fund these developments, and additional cost pressures

<b>Service</b>	<b>Approved Budget</b>	<b>Q1 Forecast</b>	<b>Q2 Forecast</b>	<b>Q3 Forecast</b>	<b>Potential Budget Saving</b>	<b>Q3 Forecast Year End Variance</b>	<b>Explanation including assumptions made and risk assessment of the forecast</b>
Elections General	£27,900	£27,900	£23,900	£7,200	£0	(£20,700)	A part year vacancy has resulted in an under-spend of £5,000. Additionally a government grant of £11,280 has been received in year relating to Elections in 2009/10 which was not accrued at year end. Other minor under-spends complete the variance.
Elections European	£0	(£14,000)	£0	(£32,700)	£0	(£32,700)	Income relating to prior years has been applied in 2010/11 and had not previously been accrued.
Democratic Services	£222,700	£215,000	£207,100	£210,000	£0	(£12,700)	Net savings made due to not filling vacant Democratic Services Officer post and outsourcing to Peterborough City Council regarding attending meetings and recording minutes.
Internal Audit	£89,900	£85,600	£74,500	£69,000	£0	£20,900	Internal Audit is part of a consortium that has recently undergone a restructure which has realised savings for Rutland CC expected to be over £20,000.
Land Charges	(£600)	(£600)	£26,800	£24,200	£0	£24,800	Following the recent abolition of HIPS, Local Authorities are no longer able to charge a Personal Search fee as this information is now available free of charge. This has caused a significant decrease in forecast income.

Service	Approved Budget	Q1 Forecast	Q2 Forecast	Q3 Forecast	Potential Budget Saving	Q3 Forecast Year End Variance	Explanation including assumptions made and risk assessment of the forecast
Strategic Management Team	£0	£0	£218,000	£226,800	£0	£226,800	This covers the 3 new Strategic Directors and 3 Support Officer posts as highlighted in Quarter 2. The additional cost forecast in Quarter 3 relate to honoraria relating to sickness cover of a support officer and the employment of a centralised Admin Team as agreed as part of the restructure.
Total reduction in 2010/11 budget as a result of in year savings					£0		

Other risk areas that may affect the 2010/11 budget:

- Legal Services – Current ongoing negotiations over a shared legal service with Peterborough City Council may realise small savings prior to the potential merge in 2011/12. Income for legal fees for Highways Road Closures, S38 Highways and S106 agreements are lower than previous years and may be lower in 2010/11 if the trend continues.

## Capital Monitoring

The approved capital programme 2010/11 for the Corporate Services Portfolio is £53,000

<b>Approved budget</b>		<b>£53,000</b>
<b>Adjustments to capital programme</b>	£0	£0
<b>Revised Budget</b>		<b>£53,000</b>
<b>Forecast Outturn at 31 March 2010</b>		<b>£53,000</b>
<b>Forecast over(under)spend</b>		<b>£0</b>

### Approved Schemes

Scheme	Approved Budget	Q1 Forecast	Q2 Forecast	Q3 Forecast	Q3 Variance against budget	Funding source	Explanation including assumptions made and risk assessment of the forecast
IRIS	£53,000	£53,000	£53,000	£53,000	£0	Prudential Borrowing	