

Appendix 6 - Resources & Corporate Services

Lead Members:

- Economic Development, Planning & Assets: Cllr Ros Wyke
- Resources & Performance: Cllr Liz Leyshon
- Transport & Digital: Cllr Richard Wilkins

Interim Chief Finance Officer (s151): Maria G Christofi

Service Directors:

- Finance & Procurement: Nicola Hix
- Strategic Asset Management: Ollie Woodhams
- Information, Communication, Technology: Andy Kennell

2023/24 Resources & Corporate Services as at the end of March 2024 (Month 12) 2023-24 Outturn

2023/24 net budget £24.9m, projected favourable variance of £2.3m, £0.1m adverse movement from month 10

Service Area	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Month 12 Variance £m	A/(F)	RAG Status	Movement From Month 10 £m
Finance & Procurement								
Finance	11.0	(2.5)	8.5	9.4	0.9	A	Red	1.0
Procurement	13.2	(11.2)	2.0	1.4	(0.6)	(F)	Green	(0.5)
Revenues	5.3	(2.9)	2.4	1.8	(0.6)	(F)	Green	(0.2)
Housing Benefits	88.6	(87.6)	1.0	0.9	(0.1)	(F)	Green	0.1
sub total	118.1	(104.2)	13.9	13.5	(0.4)	(F)	Green	0.4
Strategic Asset Management								
Property Services	19.3	(7.4)	11.9	11.1	(0.8)	(F)	Green	(0.8)
Commercial Investment Properties	0.9	(19.9)	(19.0)	(18.7)	0.3	A	Red	0.3
sub total	20.2	(27.3)	(7.1)	(7.6)	(0.5)	(F)	Green	(0.5)
Information Communication Technology								
Information Communication Technology	0.0	0.0	0.0	0.0	0.0	-	Green	0.0
Hardware & Software	10.1	0.0	10.1	9.0	(1.1)	(F)	Green	(0.1)
ICT General	9.5	(2.5)	7.0	6.6	(0.4)	(F)	Green	0.2
ICT Traded	0.5	(0.4)	0.1	0.2	0.1	A	Red	0.1
Telecommunications	0.9	0.0	0.9	0.9	0.0	-	Green	0.0
sub total	21.0	(2.9)	18.1	16.7	(1.4)	(F)	Green	0.2
Resources & Corporate Services Total	159.3	(134.4)	24.9	22.6	(2.3)	(F)	Green	0.1

Resources & Corporate Services – key explanations, actions & mitigating controls

Finance & Procurement

The final outturn position for Finance & Procurement is an underspend of £0.4m, this is an adverse movement of £0.4m to the position reported at month ten.

The reason for this movement is as follows:

- Reduction in LEP admin investment income not forecast in month ten
- Unachievable income budgets from the legacy councils that were incorrectly forecast to be achieved in full in Month ten
- Adverse movement on employee budgets – additional agency costs to cover increased number of vacant posts and additional support required for legacy Council's financial statements and external audit queries.

Some of these additional costs have been offset by the Mendip 5c contract realising an underspend. This budget and underspend were moved to Finance & Procurement at the end of 2023/24.

Overall, on outturn Finance saw an increase in costs, reduction in both income and forecast salary savings compared to the position reported at month ten.

The Revenues and Housing Benefits underspend arose from staff vacancies, additional income from Government grants and court fees and the Mendip 5c contract coming in underspent.

Strategic Asset Management

Property Services

The final outturn position for the service is an underspend of £0.5m which is a favourable movement of £0.5m from the position reported at month ten. This movement is due to salaries and property running costs coming in less than forecast and an improved position on income.

- Service carried many vacancies throughout the year, resulting in an underspend on employee budgets.
- Reduction in energy costs across the estate due to improved pricing, energy efficiency measures, mothballing spaces, and investment in decarbonisation projects.
- Reduction in contract cleaning costs due to mothballing spaces.

The above savings were part offset by.

- Vacant property running costs coming in higher than budgeted as the service took on larger complex sites and properties were vacant for longer periods due to ongoing phosphates issues delaying planning.
- Various other overspends across several budgets lines, including rates payable on void properties and an aborted capital scheme meaning income target not met.

Within Commercial Investment Properties the income target in respect of the dividend payable from one of the Council's partly owned trading companies was not achieved (£1.7m), due to the trading of the investments under-performing against expectations. These investments are currently under review. There are adverse variances in respect of the net rental income (£0.3m), this is due to unexpected voids and associated costs. The total variance against the budget will be funded from the Commercial Investment risk reserve.

Information Communication Technology

The final outturn position for ICT is a favourable variance of £1.4m. The adverse movement of £0.2m from the reported position at month ten relates to the cost of the Customer Access Programme implementation being charged to ICT.

Vacancies within the ICT staffing establishment have led to an underspend on employee budgets and cost reductions on Azure, Microsoft licences and other software contracts has resulted in an overall underspend on the software budgets.