

Appendix G - Resources & Corporate Services

Lead Members:

- Economic Development, Planning & Assets: Cllr Mike Rigby
- Resources, Procurement & Performance: Cllr Liz Leyshon
- Transport and Waste Services: Cllr Richard Wilkins

Executive Directors:

- Maria G Christofi, Interim Chief Finance Officer (Section 151 Officer): Finance & Procurement
- Alyn Jones: Strategic Asset Management and Information, Communication, Technology

Service Directors:

- Finance & Procurement: Nicola Hix
- Strategic Asset Management: Simon Lewis (Interim Head of Property)
- Information, Communication, Technology: Andy Kennell

Chart 1: Budget versus forecast outturn graph

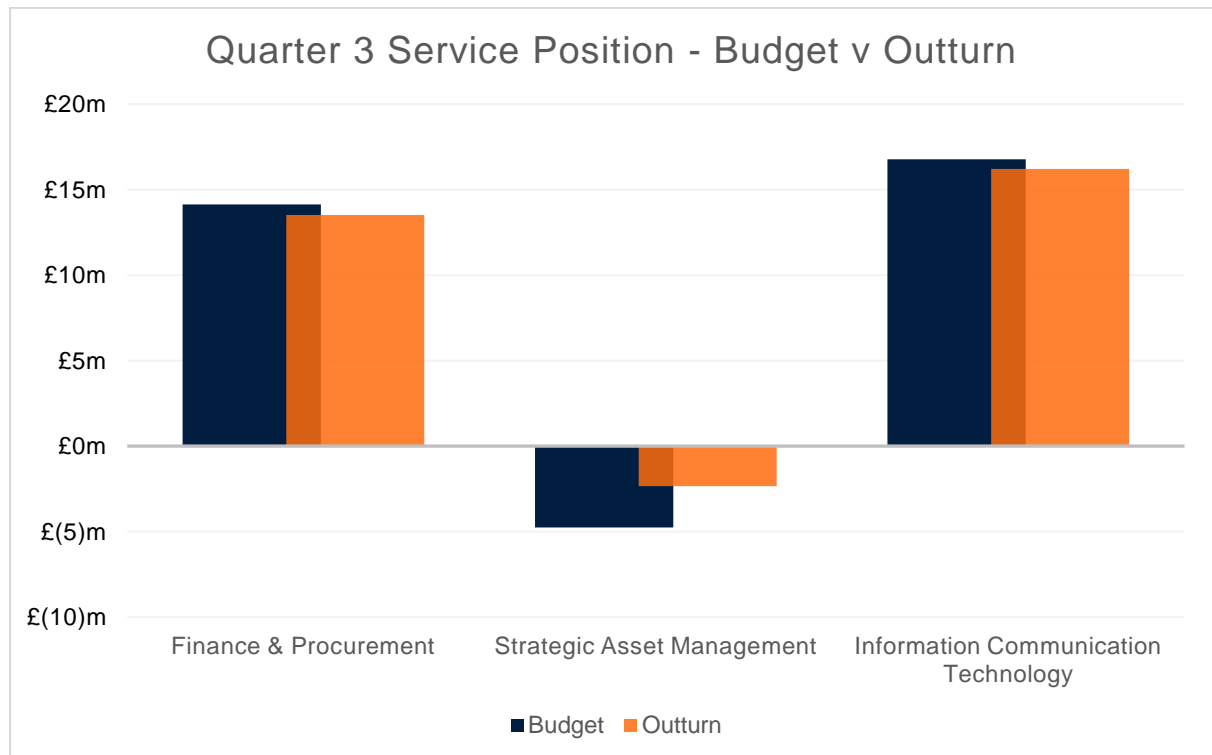


Table 1: 2024/25 Resources & Corporate Services as at the end of December 2024 (Quarter 3)

- 2024/25 net budget £26.146m, forecasting an overspend of £1.226m, an increase of £2.554 from Month 7.
- 2023/24 net budget £23.6m, outturn underspend of £2.3m.

Service Area	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Quarter 3 Variance £m	Overspend / (Underspend)	RAG Status	Ongoing Pressure £m	One-off Pressures £m	Movement From Month 7 £m
Finance & Procurement										
Finance	11.002	(2.238)	8.764	9.596	0.832	Overspend	Red	-	-	0.033
Procurement	14.464	(12.278)	2.186	1.460	(0.726)	Underspend	Green	-	-	0.041
Revenues	5.019	(2.522)	2.497	2.321	(0.176)	Underspend	Green	-	-	0.058
Housing Benefits	89.733	(89.050)	0.683	0.139	(0.544)	Underspend	Green	-	-	(0.118)
sub total	120.218	(106.088)	14.130	13.516	(0.614)	Underspend	Green	-	-	0.014
Strategic Asset Management										
Property Services	18.436	(7.802)	10.634	10.022	(0.612)	Underspend	Green	-	-	(0.354)
Commercial Investment Properties	0.961	(16.359)	(15.398)	(12.374)	3.024	Underachievement	Red	3.024	-	2.164
sub total	19.397	(24.161)	(4.764)	(2.352)	2.412	Underachievement	Red	3.024	-	1.810
Information Communication Technology										
Hardware & Software	9.679	(0.003)	9.676	9.584	(0.092)	Underspend	Green	-	-	0.501
ICT General	8.741	(2.521)	6.220	5.541	(0.679)	Underspend	Green	-	-	0.241
ICT Traded	0.440	(0.367)	0.073	0.250	0.177	Overspend	Red	-	-	(0.012)
Telecommunications	0.811	-	0.811	0.833	0.022	Overspend	Amber	-	-	-
sub total	19.671	(2.891)	16.780	16.208	(0.572)	Underspend	Green	-	-	0.730
Resources & Corporate Services Total	159.286	(133.140)	26.146	27.372	1.226	Overspend	Red	3.024	-	2.554

Resources & Corporate Services – Key explanations of variances

Finance & Procurement

Finance & Procurement are forecasting an underspend of £0.614m, a decrease of £0.014m from Month 7. Excluding Revenues and Housing Benefits are forecasting an overspend of £0.106m, an increase of £0.074m from Month 7. This is due to reduced internal income and confirmation of the 2024/25 external audit scale fee.

The overall overspend of £0.106m is a result of a forecast overspend in **Finance** of £0.832m due to internal income budgets not expected to be achieved (£0.209m), reduced Investment Team income (£0.050m), reduced Finance Business Partners' income from Connecting Devon & Somerset (£0.068m), reduced income from the Customer Access project (£0.156m) and prior year statement of accounts audits (£0.638m). These pressures have been offset in part by the full year impact of holding staff vacancies (£0.289m). This overspend is being mitigated by a forecast underspend in **Procurement** of £0.726m due to forecast underspends on the Mendip 5 Council contract from a decrease in the services being delivered (£0.446m) and holding staff vacancies (£0.280m).

Revenues & Benefits are forecasting an underspend of £0.720m, an increase of £0.060m from Month 7. This is due to additional New Burdens funding being received (£0.022m) and a delayed recruitment of staff to vacant posts resulting in an establishment underspend. In addition, there are underspends arising from increased court costs recoupment (£0.308m), holding staff vacancies (£0.294m) and reduced Mendip 5 Council contract recharges (£0.269m). These underspends are offset by overspends on discretionary discounts (£0.087m) and postage and other supplies and services (£0.064m).

Strategic Asset Management

Property Services are forecasting underspend of £0.612m, an increase of £0.354m from Month 7. This is due to a reduced pressure in post and scanning, as data is now available for recharging and a forecast underspend across utility budgets, due to lower consumption and unit price.

The service is carrying several vacancies, resulting in employee budget savings, income forecast to be higher than budgeted due to property rationalisation, and the resultant income from partners, utilities costs are lower than budgeted and underspends across repairs and maintenance. These savings are being part offset by property holding costs and one-off project costs.

Commercial Investment Properties are forecasting an overspend of £3.024m an increase of £2.164m from Month 7. This is due to the sale of the investment properties and the impact of the underachievement of income.

The sale of the properties underachievement of income is £1.270m, an increase of £1.103m from Month 7.

This budget is also forecasting an overspend of £1.754m, an increase of £0.693m from Month 7. This relates to business-as-usual costs, such as void costs, insurance, fees and charges.

The Investment Risk Reserve is not being utilised to offset this overspend, the service are identifying underspends from other services within Resources & Corporate Services, in order to preserve the reserve.

Information Communication Technology

Information Communication Technology is forecasting an underspend of £0.572m, a decrease of £0.730m from Month 7. This is due to a pressure occurring from a reduction in funding, Magic Notes Pilot and additional SAP cloud licences which have been offset by the delayed recruitment of additional staff resource.

Resources & Corporate Services – Actions and mitigations**Table 2: Service Management Actions included in the forecast outturn**

Service Management Actions	Month 7 £m	Quarter 3 £m	Movement £m	Comments
None	-	-	-	
Total Management Actions	-	-	-	

Table 3: Mitigating actions identified, not yet included in the forecast outturn

In-Year Mitigation Proposed	Month 7 £m	Quarter 3 £m	Movement £m	One-Off Mitigation £m	Ongoing Mitigation £m	Comments
To be Mitigated	0.602	2.412	1.810	-	-	
Information Communication Technology	(0.602)	(0.572)	0.030			Reported underspends within Information Communication Technology are being held to fund the overspend in Investment Properties.
Total Mitigations Identified to be Actioned	-	-	-	-	-	Mitigations to be identified by Month 10
Still to be Mitigated	-	1.840	1.840	-	-	To be reduced to a balanced position by Month 10

Resources & Corporate Services – Key performance cost drivers

None

Resources & Corporate Services - Key risks, future issues & opportunities

Commercial Investment Properties has an ongoing pressure of £3.024m. The Council agreed to a programme of planned disposals of investment properties which is being overseen by the Property and Investments Executive Sub-Committee. The sale of the investment properties will generate a capital receipt that the Council can use to finance capital expenditure, for example as part of the Capitalisation Directive, instead of borrowing.