

MAIN VARIANCES ON CONTROLLABLE PORTFOLIO SPENDING

CHANGE & COMMUNITIES PORTFOLIOS

The Portfolios have under spent by **£1,542,600** at year-end, which represents a percentage under spend against the budget of **37.7%**.

COMM 1 – Youth Offending Service (adverse variance £63,500)

Transfer of responsibility for placing Young Offenders in remand from Youth Justice Board. The above variance is after a draw from the Risk Fund of £273,200.

The Youth Justice Board transferred responsibility for funding the costs of remand to Local Authorities from 1 April 2013. Due to the volatile nature of the need for remand and the variable nature of costs at specific facilities (ranging from £177 to £607 per night) provision for this was made in the Risk Fund and an allocation of £273,200 has now been made.

In addition to this, there has been an over spend of £38,800 mainly due to an inability to meet vacancy management targets as all posts were filled during the year and one-off costs were incurred for the set up of a new communications line for Southampton Magistrates Court.

COMM 2 – Families Matter (favourable variance £895,100)

Under spend on Families Matter

Families Matter is the local delivery of the national Troubled Families Programme. This is a three year programme that is funded by government through a mix of attachment fees (up-front payments) and payment by results which are subject to meeting agreed targets and outcomes. The 2013/14 budget shows a surplus of £895,100 after all expenditure and income has been taken into account. This surplus is a combination of carry forward attachment fees and positive results claims.

As the set-up period for Families Matter in Year 1 meant the operational costs did not begin until Quarter 4 of that year, there was a surplus of up funding from attachment fees which was carried forward to Year 2. In addition, potential funding for payment by results was not assumed in the financial plan for the project and so claims received in 2013/14 can now be invested in the delivery of the future programme. A carry forward to Year 3 will sustain the programme, including 32 Full Time Equivalent (FTE) Lead Practitioners (family workers) to the end of the programme without the risk associated with reliance on future payment by results which increases as the financial profile for Troubled Families reduces attachment fees considerably as the programme progresses.

COMM 3 – Communities, Change & Partnership Social Fund (favourable variance £462,100)

Revised implementation of planned transition of the Social Fund to local welfare provision

A Government Grant of £654,000 was received for 2013/14 as funding for the transition of Social Fund to local welfare provision. At year-end, £333,300 of the available funding remains unspent of which £100,000 is a contingency sum agreed by Council to enable a response to meet any potential unpredicted gaps in provision. The remainder relates to money set aside for fulfilment and the phased approach and roll out of the referral hub. Demand is now increasing significantly, and a carry forward request is being made to ensure we can continue to meet this demand as the full impact of the welfare reforms is starting to take effect.

Further to this a sum of £128,800 was allocated by Cabinet from the General Fund revenue budget contingency in response to the Overview and Scrutiny Management Welfare Reforms Inquiry. Detailed work is underway to develop and implement the recommendations made and this work is being overseen by the Welfare Reforms Monitoring Group. This funding has yet to be spent and implementation is now expected to commence during 2014/15 with work running over a two year transition period.

A carry forward request has been submitted for £462,100 to enable full implementation to take place in 2014/15.

COMM 4 – Communities, Change & Partnership (favourable variance £217,300)

Salaries and supplies and services spend reduced

The favourable variance has arisen primarily due to salary savings from vacancies together with savings within supplies and services as a result of the moratorium on spend. All budgets have been reviewed and where possible any reductions in spend which have been achieved form part of approved budget savings for 2014/15 or new savings proposals currently under consideration as part of the development of the budget for 2015/16.

CHILDREN'S SERVICES PORTFOLIO

The Portfolio over spent by **£723,100** at year-end, which represented a percentage over spend against the budget of **1.9%**.

CS 1 – Tier 4 Safeguarding Specialist Services (adverse variance £550,800)

This budget funds the cost of children that have to be taken into care. The number of children in care was 33, (8.3%) over the budgeted position at the end of the year. A significant amount of the pressure arising from this has been met by an allocation of £2.2M from the Risk Fund.

Despite this allocation from the Risk Fund, the increased numbers of children who had to be taken into care led to an over spend on fostering of £308,600, all of which was spent on Independent Fostering Agency (IFA) placements.

In addition there was an over spend of £193,600 on special guardianship and adoption allowances. The increased numbers of lower cost special guardianship and adoption allowances primarily resulted from the conversion of higher cost foster care. This avoided costs of between £3,000 and £13,000 per placement per annum.

In previous years the numbers of children in care fluctuated significantly, in comparison this year has seen the number remain consistent throughout.

The table below outlines the changes in activity levels for 2013/14:

Service	Daily Rate Range	Children Numbers					
		Budget	Budget Plus Risk Fund Provision	Nov	Dec	Jan	Mar
Fostering up to 18	£20 - £100	311	325	306	300	301	301
Independent Fostering Agencies	£86 - £270	62	91	105	103	107	117
Inter Agency Fostering Placements	£56 - £136	0	0	3	2	1	1
Supported Placements or Rent	£16 - £111	13	13	1	1	1	1
Residential - Independent Sector	£257 - £660	10	15	11	11	14	11
Civil Secure Accommodation	£707 - £806	1	1	0	0	0	0
Sub-total: Children in Care		397	445	426	417	424	431
Residential (Not Looked After)	£108 - £333	0	0	3	3	3	3
Supported Placements or Rent (Not Looked After)	£16 - £111	0	0	5	5	3	4
Over 18's	£8 - £153	17	17	16	16	18	23
Adoption Allowances	£4 - £38	91	91	85	83	90	93
Special Guardianship Allowances	£2 - £44	49	49	76	82	88	95
Residence Order Allowances	£7 - £18	18	18	17	17	18	17
Total		572	620	628	623	644	666

Figures for CIC exclude disability placements, UASC's and children placed at nil cost (e.g., with parents)

CS 2 – Safeguarding Management and Legal Services (adverse variance £40,400)

Additional legal costs of £116,500 incurred which are directly attributable to the unbudgeted number of children in care. These additional costs have been partially offset by a contingency for agency staff which has not been utilised. The above variance is after a draw from the Risk Fund of £200,000.

This over spend was due to unavoidable internal and external legal costs associated with children having to be taken into care. The costs related to court fees, legal expenses and external counsel fees.

CS 3 – Child Protection Tier 3 Social Work Teams (adverse variance £313,600)

Additional cost of agency social work staff for vacancy and absence cover. The above variance is after a draw from the Risk Fund of £200,000.

There is an over spend of £324,400 on child protection 'Tier 3' social work teams. Current market conditions mean that the supply of experienced social workers is insufficient to meet rising demand. This has meant a continuing need for temporary staff, acquired from independent agencies at, on average, twice the cost of a permanently employed member of staff. The number of agency social workers reduced considerably over the year, due to a successful recruitment campaign. However, there was a continued need for agency senior practitioners and team managers during the year.

CS 4 – Disability Services (adverse variance £261,900)

New expensive packages of care for children with disabilities have commenced during the year, leading to an over spend

The requirement for packages of care for children with disabilities is difficult to predict with any certainty due to the volatility in the cost of care and the individual needs of each child with a disability. During the year, five new expensive placements commenced, four of which related to new residential placements and one of which was a high cost IFA placement.

CS 5 – Infrastructure (adverse variance £240,400)

Additional costs associated with moving staff between council buildings

Unexpected one off costs of £176,400 have been incurred for removal expenses and other associated unbudgeted costs in relation to capital projects being undertaken to expand Primary schools.

In addition, the council has relocated the Compass Centre from Warren Avenue to the site of the old Millbrook School, resulting in a dilapidations charge from the landlord at Warren Avenue and unanticipated business rates and security costs for vacant premises have been incurred.

CS 6 – Commissioning, Management & Directorate overheads (adverse variance £285,000)

Additional costs for admin supplies and translation services

Directorate expenditure on storage, photocopying, printing and postage has exceeded the budget originally set by £98,300 as planned savings have not been fully achieved. In addition, the increase in referrals to Safeguarding has led to more demand for translation services resulting in an over spend of £55,600. Following a tendering exercise, the charge made by Oasis Academy Lord's Hill, for operating the sports hall at the old Millbrook school site, is higher than budgeted by £75,100 (in part due to an increase in the rates bill following a revaluation covering the period 2012/13 and 2013/14) and there have also been a number of other smaller one off unbudgeted costs for things such as transformation and procurement activity.

CS 7 – Operations and Services - Transport (adverse variance £156,900)

Additional home to school transport costs

A pilot project was undertaken to encourage the take up of Personal Travel Budgets (PTB) whereby parents were offered the opportunity to arrange their own home to school transport for their child but there has been significantly less take up than anticipated. In addition, there has been an increase in the numbers of pupils with Special Educational Needs requiring home to school transport, in particular those pupils attending Special Schools. This has resulted in an over spend of £313,000 which has been partially off set by savings in other school transport areas and looked after children transport of £156,100.

CS 8 – Inspire (favourable variance £161,600)

A combination of staff savings, increased income generation and reduced spend on the Workforce Development and Graduate Programmes.

There have been staff savings across all teams of £27,400. In addition, the child workforce development team has generated higher than expected income levels of £66,400 and there has been a saving against the planned spend on the Workforce Development and Graduate programmes totalling £75,200.

CS 9 – Statutory School Support (favourable variance £352,400)

As a result of continued increased activity there has been additional income generated by both the Education Psychologists and Education Welfare officer teams.

The Education Psychologist and Education Welfare officer teams provide both a non income generating statutory service for parents and children and also training to a variety of clients including council employees, the private, independent and voluntary sectors, schools and universities. The training covers both education statutory and non statutory services. These training activities are income generating and as a result of continued increased activity have delivered additional income.

CS 10 – Skills (favourable variance £66,500)

Lower than planned spend on the Pre-apprenticeship Programme and Post 16 Transport Partnership

The original pre-apprenticeship scheme was due to end 31 March 2014 but activity volumes were reduced, pending the outcome of the Apprenticeship Scrutiny Inquiry, resulting in spend which was £70,200 lower than anticipated. Following the inquiry, the scheme has been extended until 2016 and a carry forward of £45,000 is proposed in the Apprenticeship Action Plan (AAP) budget approved by Cabinet in January 2014. The scheme will provide 26-week supported work placements for NEET young people. . If the carry forward is not approved the pre-apprenticeship strand of the AAP cannot be delivered.

ECONOMIC DEVELOPMENT & LEISURE PORTFOLIO

The Portfolio has under spent by **£195,300** at year-end, which represents a percentage under spend against the budget of **3.2%**.

EDL 1 – Gallery and Museums (adverse variance £216,000)

Shortfall in venue income due to lower visitor numbers than anticipated

Visitor numbers to SeaCity and Tudor House were lower than anticipated, resulting in a shortfall in ticket income of £299,500 and £30,300 respectively. There has also been a corresponding reduction in catering profits of £65,000, shop profits of £31,000 and venue hire income of £26,900 for the SeaCity museum. Partially offsetting this is an under spend of £87,300 mainly due to a reduction in staffing in the two venues, utility savings of £63,800 and savings of £39,200 against marketing and advertising budgets for the venues.

The learning teams for SeaCity, Tudor House and the Art Gallery have successfully improved performance, reducing expenditure and generating additional income, resulting in a surplus of £59,500.

EDL 2 – Leisure Major Projects (favourable variance £117,700)

Delay in expenditure on New Arts Complex and savings on staffing costs.

Audience Development jointly funded by the Council and Arts Council England (ACE) was due to transfer to the operating company of the new arts complex this financial year. This element of the project has been delayed resulting in an under spend, £94,700 of which is Council funding. It is proposed that this funding should be carried forward into 2014/15 for the purpose of establishing a sound basis for the business operation of the arts complex, ensuring the best possible preparation for future financial viability. If this funding is not carried forward, it is highly likely that ACE will reduce its grant funding in line with the Council's.

In addition a restructure across Leisure and Culture reduced posts in the Major Projects team, resulting in savings of £40,900. This is partially offset by additional costs of £17,800 associated with the final closure and planned re-opening of Oakland's Pool.

EDL 3 – Libraries (favourable variance £81,700)

Savings on staff costs due to a restructure, reduced costs and increased external income.

Staff costs for the year were £39,100 less than anticipated due to a restructure which was implemented earlier in the year than originally planned. There has also been lower than expected expenditure on computer equipment and mobile phones resulting in a saving against the Library IT budget of £17,300. In addition to this, more Academies signed up to the School Library Services service level agreement than expected, resulting in additional income of £19,300.

EDL 4 – Leisure Client (favourable variance £29,900)

Savings on staff costs and an Inflationary increase in utility costs for Active Nation contract. The above variance is after a draw from the Risk Fund of £92,800.

Under the contract with Active Nation to run the Council's sports provision, the Council bears the risk of cost inflation on utilities over and above the Consumer Price Index. This has amounted to £92,800 for 2013/14 and was provided for within the Risk Fund. There has also been savings of £26,500 due to the early implementation of the Leisure restructure.

EDL 5 – Leisure Events (favourable variance £60,100)

Increase in income received for events and cost savings associated with the Visitor Information Centre.

A larger number of small events than anticipated have been held in the City and spend on computer equipment at the Visitor Information Centre has been reduced by £21,000. It is proposed that the additional income of £25,100 generated along with £17,000 of funding for the Southampton Festival is carried forward into 2014/15 to fund work associated with the celebrations for the 50th anniversary of Southampton attaining city status.

ENVIRONMENT & TRANSPORT PORTFOLIO

The Portfolio has an under spend of **£716,000** at year-end, which represents a percentage under spend against budget of **2.6%**.

E&T 1 – Off Street Car Parking (adverse variance £57,400)

Parking income lower than planned by £202,000 which was partially offset by reduced operating costs

There was an overall adverse variance of £202,000 for off-street car parking income, primarily due to the delayed introduction of evening charges, which resulted in a shortfall of £153,000 compared to the level originally anticipated. In addition, there was an underlying reduction in parking across the whole city which affected both Council and privately run car parks and led to income falling short of the level anticipated during the budget setting process by £49,000. However, business rates were lower than originally estimated by £39,000; other operating costs were lower by £66,000 and external contributions were £39,000 greater.

E&T 2 – Regulatory Services - Commercial (favourable variance £585,700)

Additional income and reduced spend on supplies and services

There was additional port health income from BIP Port Fees of £233,000 and other specialist income relating to imports from China and Japan of £106,000. There were additional external contributions received to fund Trading Standards work of £188,000 and a saving on supplies and services expenditure of £55,000.

E&T 3 – Travel & Transport (favourable variance £557,300)

Under spend on the Concessionary Fares scheme along with savings in senior management salaries and other costs

The cost of the Concessionary Fares scheme was lower than anticipated as the total number of journeys and the average fare were both lower than originally estimated, resulting in a favourable variance of £397,000.

In addition, there was a favourable variance of £78,000 for employee costs, mainly due to savings in senior management and there were savings on the Real Time maintenance costs of £45,000 and on the Local Transport Policy budget of £35,000.

E&T 4 – Waste Collection (adverse variance £307,000)

Commercial Waste Service income below budgeted level.

The final position for the Commercial Waste Service was £382,000 adverse, due to continuing adverse trading conditions and the cessation of the external skip hire service. This position has been regularly reviewed by City Services management team and improvements to billing and debt recovery were introduced during the year to help the position.

The service had a successful phased introduction of 27 refuse freighter replacement vehicles during the year and as they were not all replaced at the start of the year, a budgeted cost of approximately £226,000 was not incurred by Fleet Transport. However, there were unbudgeted vehicle damage and repairs costs of £153,000. There were also additional costs for employees of £87,000, due to previous year savings proposals not being fully implemented.

There was additional income of £23,000 from charging for green waste collections and £37,000 from additional sales of glass. There were also savings of £22,000 on Bartec annual costs.

E&T 5 – Waste Disposal (adverse variance £253,300)

There were a number of variances with an overall adverse position. The above position reflects an allocation from the Risk Fund to meet contractual cost increases for Waste Disposal.

There were additional disposal costs of £208,000 at the Civic Amenity Waste Centres and £43,000 on general collected household waste, due to increased volumes. In addition, the proposal to charge for school waste disposal could not be implemented due to legislative reasons, at a cost of £100,000. However, there was an additional £98,000 income from the profit share at the Energy Recovery Facility (Marchwood incinerator) for 2012 and additional disposal income of £38,000 from Housing, both of which offset this position.

The Waste Disposal Contract has seen rate rises, effective from January 2014, which increased overall costs and £43,000 of the funding set aside in the Risk Fund to cover this eventuality has been allocated to offset this.

E&T 6 – E&T Contracts Management (favourable variance £141,100)

Savings on street lighting energy costs and additional third party income share

Street lighting energy costs were £82,000 below budget, due to lower power consumption. There was also an additional Third Party Income share from the Highways Service Partnership for the prior year of £26,000 and one-off savings following the set-up of the Citywatch Service of £29,000.

E&T 7 – Development Control (favourable variance £121,500)

There were a number of variances with an overall favourable position

There was lower than anticipated expenditure on the Local Development Framework Plan of £57,000 and a favourable variance on employees of £84,000. There was additional planning application income of £54,000. However, pre-application income was £32,000 adverse and there was a net shortfall on administrative fees from Section 106 and Community Infrastructure Levy developer contributions of £47,000.

HEALTH & ADULT SOCIAL CARE PORTFOLIO

The Portfolio has an under spend of **£1,197,000** at year-end, which represents a percentage under spend against budget of **1.9%**. Significantly the position on core Adult services is £364,000 overspend, however the portfolio position includes the impact of £1,561,000 Public Health funding utilised on Public Health services accounted for within other Portfolios as shown in the table below.

	Outturn Variance £
Core Adult services	£364,000
Impact of Public Health funding services within other portfolios across the Council	(£1,561,000)
Total Portfolio outturn variance	(£1,197,000)

H&ASC 1 – Learning Disability (adverse variance £483,500)

There has been an increase in new clients / changes in client costs.

A potential budget pressure arising from the impact of an aging population and new transitional clients was identified as part of setting the 2013/14 budgets. A sum of £1.0M was allowed for within the Risk Fund for this and has been fully allocated to the Portfolio in the year as this pressure has been evidenced by increasing activity. During 2013/14 there has been an increase in residential care activity of £797,300 which has been partially offset by a reduction in domiciliary care of £358,700.

H&ASC 2 – Adult Disability Care Services (adverse variance £687,500)

There has been an increase in new clients/changes in client costs.

There is an over spend of £1,168,900 on domiciliary care and under spends of £346,600 and £110,200 on nursing and residential care respectively.

The over spend on domiciliary care of £1,168,900 is due to a greater volume of clients than were assumed when the budget was set for 2013/14. The provision made within the Risk Fund of £630,000 has been allocated to the Portfolio.

There was an under spend within nursing care of £346,600. This position includes an outstanding claim of £500,000 with a block contract provider for care that was not provided during the year due to a voluntary suspension. Negotiations are ongoing with the provider to seek recompense for the vacant beds unavailable for use since August 2012 and any additional costs associated with purchasing alternative provision.

There was an under spend on residential care of £110,000 as although the average number of clients has been consistent throughout the year, the average cost per placement has increased due to more placements being made at a rate above the standard rates.

The following table demonstrates the effect of these changes on the equivalent number of units:

	Net Budget £000's	Unit Prices	Budgeted Units	Outturn £000's	Outturn Units	Difference (Units)	Variance to Budget £000's
Day Care	59.9	59.59 PD	1,005	52.7	884	(121)	(7.2)
Direct Payments	2817.7	11.62 PH	242,487	2,800.3	240,993	(1,494)	(17.4)
Domiciliary	5690.7	13.96 PH	407,643	6,859.6	491,375	83,732	1,168.9
Nursing	2165.4	67.44 PD	32,109	1,818.8	26,969	(5,140)	(346.6)

Residential	5285.9	51.13 PD	103,382	5,175.7	101,226	(2,156)	(110.2)
Total	16019.6			16,707.1			687.5

(PD – per day PH – per hour)

H&ASC 3 – Complex Care (adverse variance £403,100)

Additional cost of covering permanent posts with agency staff and non achievement of vacancy factor.

A full review of the Adults Service was undertaken during 2013/14 to transform the way the existing service is delivered and whilst this review was underway all permanent posts were recruited to on a fixed term basis only. However the service experienced difficulties in filling the posts on this basis and therefore, to meet service requirements, managers used agency staff at an additional premium.

H&ASC 5 – Mental Health Commissioning (favourable variance £250,800)

Savings on contracts and transition funding within Mental Health.

There have been various under spends in the year, totalling £250,800, on contracts. These under spends have resulted from both slippage in the award of new tenders and under utilisation of existing contracted service. In particular the delay in awarding the new peer support contract has led to an under spend of £100,000.

H&ASC 6 – Administration and Business Support (favourable variance £139,900)

Salary savings resulting from vacant posts.

There has been an average of 6 FTE vacant posts within business support, although this has been offset in part due to the use of temporary staff.

H&ASC 7 – Provider Services Management (favourable variance £210,600)

Salary savings resulting from vacant posts.

A delay in the recruitment of the level of carers required within the care closer to home service has resulted in an under spend and there were also staffing savings due to a reduction in hours of senior staff within provider services.

H&ASC 8 – Provider Services Internal Provision (adverse variance £186,900)

Additional costs incurred on agency and sickness cover to maintain the Council's Residential Home's staffing levels within Commission for Social Care Inspectorate guidelines.

Agency costs in relation to sickness, annual leave and training cover across the Residential Units have exceeded budget by £321,000, although this has been offset in part by a saving on the staffing establishment of £231,000. Other non salary budgets have exceeded budget by £96,000, this includes a reduction in income from the CCG as a result of a change in contract. This income reduction is a recurring problem which will need to be addressed during 2014/15.

H&ASC 9 – Commissioning Management (favourable variance £222,700)

Social Care Transfer grant not fully allocated in year

This was the last year that the Social Care Transfer grant was to be used for specific projects and from 2014/15 the grant is being used to offset pressures arising from demographic changes and to safeguard the current level of social care services before being rolled into the Better care fund from 2015/16 onwards. As a result several schemes have ended leaving a saving balance of £222,700 which has been used to offset other pressures within the Portfolio in 2013/14.

H&ASC 9 – Substance Misuse (favourable variance £100,000)

There has been a lower than expected take up of Service

There have been various client under spends due to a low take up of the service, which is the result of clients utilising the Southern Health funded detox service.

H&ASC 10 – Other Commissioned Services (favourable variance £346,000)

There have been various minor under spends across the Commissioned services that together contribute a significant favourable variance.

This under spend stems from over thirty contracts and some staffing budgets for services that are aimed at Carers, clients with a Learning Disability and Adults with a physical disability.

H&ASC 11 – Impact of Public Health Transfer (favourable cross council variance £1,561,000)

Release of funding resulting from the introduction of the Public Health programme.

From 1 April 2013 the Council has a statutory responsibility to secure services to prevent disease, prolong life and promote health. To meet these responsibilities, the Council received funding of £14.3M in 2013/14 which has been fully spent supporting activities across the Council to improve Public Health in the city, with the exception of £355k which has been set aside in a Public Health reserve.. The activities the Council had previously chosen to undertake in support of Public Health improvements prior to the transfer of Public Health have now been incorporated within the Public Health programme, resulting in the release of £1.561M previously used to support these activities across the Council during this transitional year.

HOUSING & SUSTAINABILITY PORTFOLIO

The Portfolio has an under spend of **£23,100** at year-end, which represents a percentage under spend against budget of **1.2%**.

H&S 1 – Sustainability (favourable variance £300)

Cost of purchasing Carbon Reduction Certificates (CRCs) of £101,200 met from the Risk Fund.

The cost of purchasing CRCs for the authority in 2013/14 will be £101,200 and funding to meet this has been allocated from the Risk Fund.

LEADER'S PORTFOLIO

The Portfolio has under spent by **£441,300** at year-end, which represents a percentage variance against budget of **12.5%**.

LEAD 1 – Legal & Democratic (favourable variance £378,900)

Salaries and supplies and services savings

A detailed review of all budgets has been undertaken across the Division resulting in the identification of salary savings from vacant posts, together with savings within supplies and services as a result of the in-year moratorium on spend. Where possible any ongoing reductions identified form part of approved budget savings for 2014/15 or new savings proposals currently under consideration as part of the development of the budget for 2015/16.

LEAD 2 – Corporate Communications (favourable variance £110,700)

Salary savings

The favourable variance has arisen from salary savings of £72,400 resulting from the in-year restructure of the Division, together with higher than anticipated Design income of £38,300.

RESOURCES PORTFOLIO

The Portfolio has under spent by **£2,302,400** at year-end, which represents a percentage under spend against the budget of **5.3%**.

RES 1 – Contract Management (favourable variance £300,600)

Capita contract savings achieved

The favourable variance reflects the benefit of ongoing changes made to the Capita contract through agreed contract amendments and savings achieved over and above the risk adjusted amount approved by Council in February. This forms part of an approved budget saving for 2014/15 and future years.

RES 2 – Central Repairs & Maintenance (favourable variance £528,100)

Under spend on planned repairs and maintenance budgets

A small number of planned schemes to the value of £528,100 will need to be deferred to the next financial year due to the seasonal nature of the works. Full Council has agreed to automatically carry forward any funding for such schemes at year-end subject to the overall financial position of the Authority. It is therefore requested that £528,100 be carried forward to enable these works to be carried out during the summer months to avoid disruption and increased costs.

RES 3 – Portfolio General (favourable variance £588,600)

Salaries and supplies and services spend reduced

A detailed review of all budgets has been undertaken across the Portfolio resulting in the identification of salary under spends from vacant posts, together with under spends within supplies and services as a result of the in-year moratorium on spend. Where possible any ongoing savings identified form part of approved budget savings for 2014/15 or new savings proposals currently under consideration as part of the development of the budget for 2015/16.

RES 4 – Property Portfolio Management (favourable variance £551,000)

Additional Investment Property income and reduced professional fees

A favourable variance has arisen within the Investment Portfolio account of £297,000 due to higher than estimated income achieved through new lettings, together with a delayed disposal. In addition, the rationalisation of the property portfolio has led to lower overall management costs and a reduction in the management fees payable to Capita of £254,000. The ongoing reduction is the subject of an approved budget saving for 2014/15 and future years.

RES 5 – Property Services (favourable variance £208,700)

Savings on rates and utilities

There is a favourable variance due to an anticipated one-off under spend on rates as a result of the planned vacation of the Civic Centre to enable essential building works to be undertaken as part of the Accommodation Strategy. In addition, there have been associated savings on utilities. The re-occupation of the North Block is now in progress and full occupation will now be achieved early in 2014/15.

RES 6 – IT Services (favourable variance £150,000)

Rationalisation of PCs

The favourable variance has arisen from the managed rationalisation of PCs and laptops across the authority.

RES 7 – Grants to Voluntary Organisations (adverse variance £24,600)

Payment of Transitional Relief

The adverse variance reflects the payment of transitional relief to organisations affected by the impact of the grants programme approved by Cabinet in February. As detailed in the Cabinet report, the Council was liable in some cases to provide this relief where the Council has either ceased or reduced funding to organisations that the Council has had a prior funding relationship with. The transitional relief scheme is now closed and this cost has been managed within the overall Portfolio budgets.

