



Report to Cabinet

Date: 16 June 2020

Title: Unitary Implementation Budget outturn at 31 March 2020

Please note that this item is being taken under general exception provisions as it has not had the required 28 day notice on the forward plan.

Relevant councillor(s): Cllr Katrina Wood, Deputy Leader and Cabinet Member Resources

Author and/or contact officer: Richard Ambrose, Service Director - Corporate Finance
Elspeth O'Neill, Finance workstream lead

Ward(s) affected: None

Recommendations: It is recommended that:

- £620k is added to the 2020/21 Transition budget taking the total to £9.564m.
- The balance on the Unitary Implementation reserve of £2.67m is transferred to the Transformation reserve.

Reason for decision: To support the ongoing delivery of the Unitary Transition programme.

Executive summary

1.1 The overall outturn for the Unitary Implementation Budget for 2019/20 was £9.939m which is an underspend of £2.910m against the original budget. The last reported position (January 2020) reported a projected underspend of £1.157m. The main reasons for the change in outturn was in Resources where the underspend increased by £1m; and in Deputy Chief Executive where the underspend increased by £650k.

Unitary Implementation Budget outturn 2019/20

Project Management Office

1.2 Additional resources were brought into the PMO following the critical friend report from AMEO to ensure greater resilience and manage risk. Contingency was approved to meet these requirements and a very small underspend is reported.

Adults, Health & Housing

1.3 £64k underspend due to Housing project management being resourced by AVDC and work on licensing being deferred into 2020/21; Cabinet are asked to agree the carry-forward of this amount to allow completion of this work in 2020/21.

Deputy Chief Exec

1.4 The workstream underspend increased to £952k mainly due to a large increase in the underspend on Branding (£530k) and Legal (£120k). The work on Branding was put on hold due to Covid-19 and some branding changes were therefore not completed by 1 April. It is requested that the £500k underspend on Branding is added to the 2020/21 Transition budget.

Resources

1.5 Resources outturn resulted in a £1.243m underspend compared to forecast £233k as at January 2020.

- The HR budget was increased to provide capacity for Tier 4 activity which has now been reprogrammed to 2020/21 (£588k underspent compared to Jan estimate of £0).
- SAP Implementation was £236k underspent (compared to Jan estimate of £121k) linked to reduced spend on licences and consultancy; and delays around interface work resulting in this work slipping to 2020/21.
- ICT spend was £162k underspent (compared to Jan estimate of £56k) with spend on Member ICT budget delayed. This has already been included within the Transition budget for 2020/21.
- The remaining £135k contingency budget allocated to Resources Board was not required.

Communities

1.6 The Board is £174k underspend with costs linked to Street, Signage and Parking machines and rebranding activity coming in £103k below budget. £65k underspend is reported in Waste linked to lower staffing requirements in 2019/20. A request to carry forward this forward into 2020/21 has already been included in the Transition budget for 2020/21 for Waste; Cabinet are asked to agree to the carry-forward of a further £55k for Highways & Transportation.

Planning, Growth & Sustainability

1.7 The workstream is £349k underspent, primarily linked to Property. Specialist external consultancy support has been brought in to support both Planning and Economic Development.

1.8 The detailed outturn report is shown at Appendix A. This also shows a small overspend on the budget for exit arrangements, due to the restructure of executive assistants being brought forward into 2019/20. The overall programme contingency budget of £1m was underspent by £309k.

Legal and financial implications

1.9 The overall spend on Unitary Implementation of £9.939m has been funded from the Unitary Reserve. A total of £22.17m has been set aside for Unitary, this leaves a balance of £12.24m in reserves.

1.10 The Transition Budget previously agreed for 2020/21 was £8.944m. It is recommended that this budget is increased by £620k (to £9.564m) relating to Branding (£500k), Housing (£40k), Regulation (£25k) and Transportation (£55k) budgets. The remaining balance on the Unitary reserve is then forecast as £2.67m. It is recommendation that this is added to the transformation reserve of £14m.

Corporate implications

1.11 Delivery of the Unitary Implementation Programme is dependent on appropriate budgets being available.

Consultation and communication

1.12 The Budget monitoring position is reported regularly to Cabinet, Corporate Management Team and the relevant Directorate.

Next steps and review

1.13 The 2020/21 Unitary Transition Budget will be monitored on a quarterly basis by Cabinet.

Background papers

1.14 None.



Appendix A: Unitary Implementation Budget outturn 2019/20

Implementation Budget	As at 31 March 2020			Status	Commentary
	Budget £000	Actual £000	Variance £000		
Programme Management Office	1,071	1,067	-4		Additional resource brought into PMO following critical friend review. Budget reflects the contingency agreed in Jan 2020.
Adults, Health & Housing					
Housing	40	0	-40		Project support officer post has been provided by AVDC; anticipated this is a BAU role so no recharge was required.
Regulatory Services	40	16	-24		Taxi licensing work and gambling licence costs.
Total Adults, Health & Housing	80	16	-64		Overall budget is underspent
Deputy Chief Exec					
Localities	298	221	-77		Localities team fully resourced and events held.
Legal & Governance	669	343	-326		Legal costs lower than originally budgeted for with a request to carry-forward underspend as some work re-profiled in 2020/21.
Communications	87	72	-15		Relates to staffing and survey costs.
Branding	755	221	-534		Significant underspend with some work put on hold due to covid-19. Request to carry forward.
Total Deputy Chief Exec	1,809	857	-952		Overall budget is underspent
Resources					
HR	1,502	914	-588		Underspend now forecast following addition of contingency budget for Tier 4.
SAP HR / Finance	1,010	774	-236		Reduced cost of SAP licences and back fill costs. Underspend increased as work requirements with third party providers finalised.
Finance & Procurement	409	386	-23		Underspend reduced due to interim support brought in to support key areas.
ICT	2,284	2,122	-162		ICT programme outturn in line with forecast. Spend on Member ICT delayed awaiting decision paper.
Customer	753	664	-89		Underspend due to extra customer support staff backfill not being required and lower than anticipated equipment and software costs.
Civil Contingencies	10	0	-10		Budget not required.
Contingency	135	0	-135		Further use of contingency not required.
Total Resources	6,103	4,860	-1,243		Overall budget is underspent

Implementation Budget	As at 31 March 2020			Status	Commentary
	Budget £000	Actual £000	Variance £000		
Communities					
Highways & Transportation	200	97	-103		Underspend reflects actual spend on updating Parking equipment.
Waste & Street scene	87	22	-65		Budget originally allocated for 2 support posts. Mix of posts altered and request to carry budget forward.
Culture, Leisure & Wellbeing	6	0	-6		No spend required
Total Communities	293	119	-174		Overall budget is underspent
Planning, Growth & Sustainability					
Property	726	527	-200		Programme spend plus costs required for changes to accommodate Members and senior management team move to the Gateway.
Planning	200	104	-96		Planning support now in place; mix has changed from original envisaged and consultancy support now shared with Economy & Regeneration.
Natural & Built Environment	40	0	-40		A separate post is now no longer required; resource is shared with the Planning workstream.
Economy & Regeneration	47	62	15		Consultancy support has been brought in. The project support officer post has been repurposed to provide for a Growth Board support officer role.
Contingency	28	0	-28		No longer required
Planning, Growth & Sustainability	1,041	692	-349		Overall budget is underspent
Redundancy / Pension Strain	2,000	2,162	162		Overspend due to inclusion of the EA review.
Additional corporate management capacity	144	167	23		Spend on additional Corporate management capacity.
Contingency	309	0	-309		No longer required
Total Budget	12,850	9,939	-2,910		Overall budget is underspent

Appendix B: Updated Transition Budget 2020/21

Service area	Actual 2019/20	20/21 Revised Transition Budget
Programme Management Office	1,067	0
Deputy Chief Executive		
Localities	221	200
Legal & Governance	343	131
Communications	72	200
Branding	221	600
Total Deputy Chief Exec	857	1,131
Resources		
HR	914	527
SAP HR / Finance System	774	309
Finance	386	630
ICT	2,122	804
Customer	664	779
Civil Contingencies	0	0
Contingency	0	250
Total Resources	4,860	3,299
Adults, Health & Housing		
Housing	0	40
Regulatory Services	16	25
Total Adults, Health & Housing	16	65
Communities		
Highways & Transportation	97	135
Culture, Leisure & Wellbeing	0	0
Neighbourhoods	22	100
Total Communities	119	235
Planning, Growth & Sustainability		
Property	527	118
Planning	104	96
Natural & Built Environment	0	0
Economic Growth & Sustainability	62	20
Contingency	0	0
Total Planning, Growth & Sustainability	692	234
Redundancy / Pension Strain	2,162	4000
Additional corporate management capacity	167	100
Contingency	0	500
OVERALL TOTAL	9,939	9,564